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ABSTRACT

This 12-hour module of instruction is designed to help undergraduates in social studies methods courses integrate economics education into the secondary school social studies curriculum. The major purposes of the module are to (1) reinforce or extend teacher education students' understanding of selected basic economic concepts, (2) develop an awareness of exemplary economic education instructional materials and sources for obtaining such materials, (3) demonstrate how economic education can be correlated with other major concerns of social studies education such as global education and consumer education, (4) provide instruction in selected methodology appropriate for secondary school social studies and economic education instruction, and (5) assist users in their efforts to develop instructional materials for teaching economic concepts to secondary school students. Activities are divided into six instructional blocks: "Scarcity and Allocation Systems," "Market Systems," "Production," "Money and Banking," "Government in the Marketplace," and "Classroom Economics Instruction--Sources of Assistance." Five of the six instructional blocks are divided into two sections, each requiring 50 to 60 minutes for completion. Activities include simulations, case studies, organizational and computational skill development, and group work. Handouts and materials can be used directly with secondary school students. Out-of-class assignments and an evaluation of the module are included. (LH)

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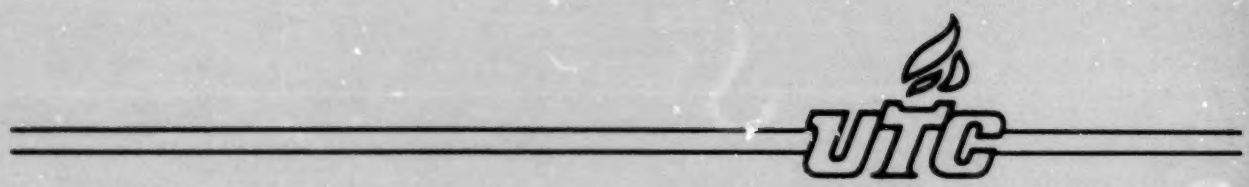
ECONOMIC EDUCATION IN THE SOCIAL STUDIES METHODS COURSE

A 12-Hour Instructional Module
for Secondary Methods Professors

SP 016 296



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ECONOMIC EDUCATION
IN THE
SOCIAL STUDIES METHODS COURSE

AN INSTRUCTIONAL MODULE
FOR
SECONDARY METHODS INSTRUCTORS

by

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PREPARATORY INFORMATION FOR THE SECONDARY SCHOOL SOCIAL STUDIES METHODS INSTRUCTOR

INTRODUCTION

At an increasingly rapid rate, state boards of education have mandated the teaching of economics in the nation's public schools. By the fall of 1981 a majority of states required successful completion of an economics or economics-related course(s) for high school graduation. Many of the states not presently mandating the teaching of economics are considering such action. While most of the mandates are aimed at the secondary school, elementary and middle school teachers are also directly impacted because secondary school mandates almost always result in pressure for preparatory activities and learning experiences in the earlier grades.

Classroom teachers, often with little or no formal training in economics or economic education, find themselves assigned to teach courses or conduct activities for which they feel inadequately prepared. Materials for teaching economics are relatively abundant but frequently unknown to teachers now facing new instructional expectations. In an effort to meet the perceived needs of the educational community, many programs have been initiated throughout the nation to present meaningful education to the classroom teacher.

It is quite appropriate that priority in teacher education be first accorded to practicing teachers, but this should not result in the neglect of undergraduate teacher education students who will soon be instructing the country's youth. Sending new teachers to the classroom no better prepared than their more experienced colleagues is certainly not a desirable situation. This would only aggravate the present problem of a scarcity of teachers who feel confident in their ability to provide sound economic education instruction.

Many secondary social studies education majors will complete an introductory college course in economics designed to teach the many concepts making up the structure of the discipline. But even these students will have little, if any, knowledge of (1) which concepts are most appropriate for secondary school instruction, (2) sources of effective instructional materials, (3) strategies for teaching economics to adolescents or (4) professional organizations which can provide assistance to teachers of economics. Where will prospective social studies teachers obtain this necessary information?

A partial solution to the above question can be provided by the social studies methods course found in most, if not all, secondary teacher education programs. The typical secondary social studies methods course is composed of students with varying content backgrounds and interest in the various social studies disciplines. Therefore, most methods instructors attempt to incorporate as many of the disciplines as possible in the course. Since economics is the one discipline in which many methods instructors feel most inadequate (usually due to their own limited academic training in that field), the teaching of economic concepts is often slighted. The scarcity of time in one course to demonstrate the effective teaching of all disciplines making up the secondary school social science curriculum necessitates that instructors (1) focus on selected disciplines and (2) emphasize the transferability of what is selected to the teaching of content from other social science disciplines. Given the growing national concern, as evidenced by state mandates, about students' lack of economic literacy, some emphasis on economic education in the social studies methods course can certainly be justified. Appropriate exemplary lessons in economic

education can also be effectively used to demonstrate to prospective teachers many of the teaching strategies found in the standard methodology text.

Economic education can be incorporated into the social studies methods course with a minimum of difficulty. Hopefully, this publication demonstrates how this can be achieved and interests secondary school social studies methods instructors in initiating the task.

Purposes of the Materials

The major purposes of this module of social studies methods/economic education instruction are to:

1) reinforce and/or extend teacher education students' understanding of selected basic economic concepts appropriate for secondary school instruction.

2) develop an awareness in prospective secondary school teachers of exemplary economic education instructional materials and sources for obtaining such materials.

3) demonstrate how economic education can be correlated with other major concerns of social studies education such as global education and consumer education.

4) provide instruction in selected methodology appropriate for secondary school social studies/economic education instruction.

5) assist users in their efforts to develop instructional materials for teaching economic concepts to secondary school students.

A General Description

The materials of this publication provide a twelve (12) hour sequence of activities (module) for use in the undergraduate secondary school social studies methods course. The activities have been divided into six "instructional blocks," each representing approximately two hours of instruction. Eleven of the twelve instructional blocks are divided into two sections,

Part A and Part B, each requiring approximately 50-60 minutes for completion. Thus the materials can easily be used in college methods courses which meet in either one or two hour blocks of time.

The six instructional blocks contain materials for the methods instructor and handouts for the students. The initials SH (Student Handouts), are placed in the upper right hand corner of the lessons, and materials of the module can also be used directly with secondary school students. Hopefully, methods students will use the teaching materials included in this publication in any field experience situations and in the future when they become teachers.

The module contains a limited number of assignments to be completed out-of-class. Thus, in addition to participating in the twelve hours of methods course instruction, students are expected to complete the suggested readings and activities provided for each of the six instructional blocks.

Selection of Economic Content and Instructional Methodology

As it is impossible to teach all one might like concerning economic education in twelve hours of instructional time, this publication should not be viewed as representing everything a prospective social studies teacher should know about economics. Instead it should be seen as an introduction to economic education. The major purpose of the module is to provide methods instructors and students models of secondary school instruction which utilize important economic concepts.

Difficult choices were confronted concerning the economic concepts to be studied and the teaching strategies and techniques to be demonstrated. The economic concept of "opportunity cost," that is, what next best alternative is foregone or given up when a choice is made, was ever present. Nevertheless, choices were made (and opportunity costs were "paid") using the following considerations.

An understanding of economics, or any other social science discipline, requires some knowledge of a very large number of basic concepts. Concepts contained in this instructional module were selected using the following criteria.

1) The ability of secondary school students to understand and apply the concepts. (Underlying this criteria is the author's firm belief that prospective teachers should be able to use the materials with their future students.)

2) The prevalence of the concepts in secondary school social studies textbooks (Research does point out that the social studies textbook is the one instructional source used most often by social studies teachers.)

3) The ability of the related concepts to serve as "building blocks" for later, more complex, economic learning and analysis.

4) The relationship of concepts to such social studies and general education objectives as global education and consumer education.

An examination of the textual materials to be used in conjunction with this module will point out that the concepts selected for use by the author have also been identified by other professional economic educators as appropriate content for secondary school instruction.

The overriding concern in the selection of methodology to be demonstrated was that the methodology utilized match or complement what methods instructors commonly include in their course. Hence, there would be no need to add "new" methodology to the course.

Suggested Time for Implementation

It is recommended that this module of instruction not be initiated at the very beginning of the methods course. The most appropriate time to begin the sequence of instruction is after the following topics have been introduced in the course.

1) The goals and objectives of secondary school social studies instruction

2) The role of the social sciences in social studies instruction

3) The organization of social studies instruction around key concepts and generalizations of the social sciences

Methods instructors unfamiliar with economics and economic education should, of course, read and study the module and the accompanying textual materials before undertaking the activities contained in the module.

Needed Materials

Textual. One major purpose of this instruction in economic education is to introduce teacher education students to selected exemplary materials. Listed below are the textual materials utilized in the module's instructional sequence.

1) Analyzing Tax Policy: A Resource Guide. (From this text and the three strategies books listed in number 4 below, students choose the one document most appropriate to their teaching interests.) Joint Council on Economic Education, 2 Park Avenue, New York, New York, 10016. Price = $5.00 ($4.00 in quantities of 10 or more)

2) Introducing Economics. Bank and Public Information Center, Federal Reserve Bank of Boston, Boston, Massachusetts, 02106. Price = complimentary copies available

3) Master Curriculum Guide in Economics for the Nation's Schools. Part I; A Framework for Teaching Economics: Basic Concepts. Joint Council on Economic Education, 2 Park Avenue, New York, New York 10016. Price = $3.50 ($2.80 in quantities of 10 or more)

4) Master Curriculum Guide in Economics for the Nation's Schools. Part II; Strategies for Teaching Economics, Basic Business and Consumer Education, U.S. History and World Studies. Students select from these three choices and the text, Analyzing Tax Policy, A Resource Guide the lesson(s) most appropriate to their teaching interests.) Joint Council on Economic Education, 2 Park Avenue, New York, New York 10016. Price = $6.00 ($4.80 in quantities of 10 or more)

5) Money, Banking, and the Federal Reserve System: An Instructional Unit. Federal Reserve Bank of Minneapolis, South 5th Street, Minneapolis, Minnesota, 55480. Price = complimentary copies available

6) Trees and TVs in the International Marketplace. Washington State Council on Economic Education, 1904 Third Avenue, #1014, Seattle, Washington, 98101. Price = Single copy complimentary, permission granted to duplicate multiple copies

It is recommended that each student have a set of the textual materials. This can be achieved by (a) having students buy the materials from the college bookstore, as they would their social studies methods textbook, or (b) arranging to have the materials supplied by your state's Council on Economic Education. Since most state councils have pre-service teacher education as one of their objectives, it is highly likely that your state Council on Economic Education will provide the needed copies of each book. (See Instructional Block 6, Part A, for information on how to identify the appropriate person in your state's Council on Economic Education.)

If it is not possible for every student to have an individual copy of each of the above materials, the next best alternatives are to either

(a) have multiple copies available in your school's curriculum library for student check-out and use or (2) set up a special course/class library under the direct supervision of the methods instructor.

Audio-Visual. Instructional Block 4 makes use of one of the fifteen programs of the Trade-offs economic education series; you can obtain this lesson in 16 mm and/or 3/4" color video tape format from your state Council on Economic Education or the nearest college/university Center for Economic Education. Information on how to determine the appropriate contact person(s) is found in the instructions for Part A of Instructional Block 6.

INSTRUCTIONAL BLOCK 1

"Scarcity and Allocation Systems"

In this segment of instruction students will:

1. participate in a simulation, after which they will analyze the ramifications of the unequal distribution of resources among countries.
2. recognize that scarcity is the basic economic problem faced by all societies.
3. define scarcity and give personal and societal examples of scarcity.
4. identify and compare different systems used to allocate scarce goods/services.
5. identify "winners" and "losers" given various allocation schemes.
6. identify the four major types of economic systems and understand that in the economic system of the United States the problem of scarcity is addressed largely through market processes.
7. recognize international education as an instructional concern to be addressed in the social studies classroom.

PART A

"Unequal Resources - A Simulation"

PURPOSE: To introduce the basic economic problem faced by all societies - scarcity, through a simulation which demonstrates global economic interdependence.

To vividly illustrate that the teaching/learning of economics need not be associated with the often-heard descriptor, "The dismal science."

MATERIALS: Instructions for the simulation (contained in the materials of this instructional block)

Task sheets (one copy per group participating in the simulation), four large manila envelopes, three pairs of scissors, twenty paper clips, one ruler, one bottle of glue, two felt pens, two pencils, colored paper (two sheets of red, five sheets of white, three sheets of blue, five sheets of gold, three sheets of green, one sheet of purple), one copy of the discussion questions for each group participating in the simulation.

PROCEDURES:

1. Prior to the class session, assemble all materials needed for the simulation. (See the lesson plan included in the materials of this instructional block.)
2. Introduce the instructional module by pointing out
   a. the emergence of economics as a significant discipline in secondary school social studies curricula.
   b. the need for prospective teachers to have an understanding of basic economic concepts if they are to provide sound economics instruction to secondary school students.

   Explain that during the next twelve hours of classroom instruction and related assignments they will:

   a. learn selected concepts from the social science discipline of economics.
   b. read and use practical economic education materials which can later be used in their own classroom teaching.
   c. observe ways economic concepts can be (1) used to achieve objectives in such curriculum areas as global education and consumer education and (2) correlated with such other secondary social studies courses as American history and political science.
   d. participate in demonstrating economics lessons illustrating teaching methods which can easily be transferred to the teaching of other social science disciplines.
   e. develop instructional materials for use with secondary school students.

   The methods instructor may find material found in the section of this publication entitled, "Preparatory Information for the Secondary School Social Studies Methods Instructor," useful in introducing the instructional module to students.

3. Tell students that the study will begin with the use of a simulation. Conduct the simulation as described in the lesson plan. Debrief the simulation using the suggested questions.

4. Following the debriefing period, explain to students that the basic economic problem confronting individuals, groups of individuals and entire societies is that resources are limited relative to wants. Scarcity requires the making of choices on how to utilize limited resources most effectively in satisfying wants. Ask, "How was the basic economic problem of scarcity illustrated in this simulation?" Elicit examples of both personal and societal scarcity from students.

5. Based on their participation in this simulation, ask students to:

   a. define the term simulation.
   b. identify some advantages and disadvantages of using simulations in the classroom. (NOTE: The instructor may wish to record student responses on a chalkboard divided into two sections, "Advantages" and "Disadvantages.")

6. Relate to students the fact that many state departments of education are strongly encouraging and, in some cases, requiring the integration of global education themes and concepts into all subject areas of the secondary school curriculum. The methods course instructor may wish to have students do some reading concerning global education in secondary social studies; if so, the following articles are suggested as reading options.

   a. Becker, James and Lee Anderson. "Global Perspectives in the Social Studies." Journal of Research and Development in Education, Volume 13, November 2, Winter, 1980, pp. 82-91.
   b. Hickman, Warren and Roy Price. "Global Awareness and Major Concepts." The Social Studies, Volume 71, Number 50, September/October, 1980, pp. 208-211.
   c. Marker, Gerald. "Global Education: An Urgent Claim on the Social Studies Curriculum." Social Education, Volume 41, Number 1, January, 1977, pp. 12-19.

7. Distribute a copy of the lesson plan for "Unequal Resources" to each member of the class.

UNEQUAL RESOURCES[1]

CONCEPTS: Scarcity, interdependence, conflict, trade

OBJECTIVE: Following the playing of the simulation, "Unequal Resources," students will analyze the ramifications of the distribution of unequal resources by answering questions in the debriefing period.

MATERIALS:

1. Task sheet - one for each of the four groups
2. Four large manila envelopes
3. Three pairs of scissors
4. Twenty paper clips
5. One ruler
6. One bottle of glue
7. Two felt pens
8. Two pencils
9. Colored paper (8 1/2" X 11") - two sheets of red, five sheets of white, three sheets of blue, five sheets of gold, three sheets of green, one sheet of purple
10. Discussion questions - one copy for each of the four groups

In advance, assemble the materials as follows:

Tape or glue a copy of the task sheet on the outside of each envelope and then enclose these materials in the four envelopes.

Envelope #1 - Two scissors, one ruler, twenty paper clips, two pencils, two 4" squares of red paper and two 4" squares of white paper

Envelope #2 - One scissors, one bottle of glue, and sheets of paper - two of each of the following colors: blue, white, gold

Envelope #3 - Two felt pens and sheets of paper - two of each of the following colors: green, white, gold

Envelope #4 - Sheets of paper - one of each of the following colors: green, gold, blue, red, purple

PROCEDURES:

1. Tell students that they are going to be participating in an activity in which they will be asked to perform tasks to meet the needs and wants of a country.
2. Divide the class into four groups. (If groups are larger than five students each, the teacher may want to have two "worlds" of four countries each.)
3. Assign each group a table or area of the room and ask groups to make up names for their countries. (If two "worlds" are playing, place them in opposite parts of the room.) As groups report the names of their countries, place the names on the chalkboard. (If two "worlds" are playing, place the names of the countries of each "world" on separate panels of the chalkboard.)

[1]This simulation was developed by Dr. Margit McGuire of Seattle Pacific University.

4. Distribute the envelopes after telling students not to open them until the teacher has given permission. Instruct students to read the task sheet. Answer any questions students may have about the groups' tasks.

5. Explain to the groups that resources vary from country to country and they may bargain between countries to obtain the needed resources to complete their tasks. All countries must complete the same tasks. (If two "worlds" of four countries each are playing the game, tell students that they can only trade with the other countries in their "world.")

6. Tell students that each group, or country, is to notify the teacher when it has completed all the listed tasks. Explain that you will keep a record on the chalkboard of the order in which the groups or countries complete their tasks.

7. Give the signal to begin and observe students interacting. It is suggested that the teacher take written notes of the actions during the simulation which demonstrate ramifications of the unequal distribution of resources. The data collected can be used as a basis for analysis in the debriefing.

8. Once a group completes its tasks, check the group's work and draw attention to the fact that one country has completed all its tasks. While the teacher does not want to stress competition, competition will be keen among the participants. If there are two sets of groups or "worlds", after a country in one of the "worlds" completes all its tasks, ask the question, "Which 'world' will finish first?" The response among participants may be that the countries of the "world(s)" will begin to cooperate more. Keep a record of the order of finish of the countries on the chalkboard.

9. Once all countries have completed their tasks, draw attention to the variation in products produced by each country.

10. Distribute a copy of the discussion questions to each group and ask students of each group to discuss the questions together in order to be prepared to share their responses with the class. (The teacher may wish to distribute copies of the discussion questions as groups complete their tasks. Some students can then be discussing the questions while other countries are completing their tasks.)

11. Begin debriefing by using the four general discussions provided on the discussion question sheet. Then, depending on the ability of the group, select some of the more specific questions listed below.

    a. What resources did the countries have? (Let groups report what they were given in the envelopes.)
    b. Which country was rich in "capital?" Which country was rich in "natural resources?"
    c. Can you give examples of innovative or unusual ways in which countries completed their tasks?
    d. Why do you think there was a wide variation in the way the tasks were completed?

e. How did countries get the materials necessary to complete their tasks? (Generally, trading, loaning, and giving - foreign aid - will be exhibited in the simulation.)
f. What countries of the real world are most like Country A? Country B? Country C? Country D? (Insert the names groups have given to their countries.)

12. To end the lesson, ask students to summarize either orally or in writing what they learned from this simulation.

DISCUSSION QUESTIONS

1. COULD YOU HAVE COMPLETED YOUR TASKS WITHOUT GETTING RESOURCES FROM ANOTHER COUNTRY? WHY OR WHY NOT?

2. HOW DID YOUR COUNTRY SOLVE THE PROBLEM OF NOT HAVING ALL THE RESOURCES THEY NEEDED?

3. WERE THERE ANY CONFLICTS BETWEEN COUNTRIES? WHY OR WHY NOT?

4. HOW DID YOU FEEL WHEN YOU REALIZED THAT RESOURCES WERE UNEQUALLY DISTRIBUTED?

UNEQUAL RESOURCES TASK SHEET

YOUR GROUP IS IN THE POSITION OF TRYING TO PROVIDE CERTAIN NEEDS AND WANTS FOR YOUR COUNTRY. THESE NEEDS AND WANTS ARE MET BY COMPLETING THE TASKS LISTED BELOW.

1. FOOD - MAKE FOUR STRIPS OF GOLD PAPER EACH THREE INCHES BY ONE INCH.

2. CLOTHING - MAKE A GREEN "T" FOUR INCHES HIGH.

3. INDUSTRY - MAKE A FOUR-LINK PAPER CHAIN, EACH LINK OF A DIFFERENT COLOR.

4. SHELTER - MAKE A WHITE SQUARE TWO INCHES TO A SIDE AND ATTACH A GOLD TRIANGLE TO ONE SIDE OF THE SQUARE. FOR EXAMPLE:

5. EDUCATION - MAKE A FOUR-PAGE BOOK OUT OF TWO DIFFERENT COLORS. REMEMBER THAT THE BOOK MUST HAVE PRINTING OR PICTURES ON EACH PAGE.

PART B

"For Whom?"

PURPOSE: To illustrate that whenever scarcity exists an allocation system must be utilized and that, depending on the system, some people will gain and others will lose

To introduce basic economic questions which must be answered by every society and four major types of economic systems devised to answer these questions

MATERIALS: Three Hershey chocolate bars (applies, doughnuts or other similar items can be substituted)

Copies of Introducing Economics

Copies of A Framework for Teaching Economics: Basic Concepts

PROCEDURES:

1. Without showing the chocolate bars to the class, ask the question, "Who would like a chocolate bar?" Many students will raise their hands; some will ask what they must do to get a chocolate bar. Explain that you just want to know which students would like to have a chocolate bar. Undoubtedly, more hands will be raised than the number of chocolate bars available. Explain to the class that you have a problem in that you do not have enough bars for everyone who would like one. Ask students to provide the concept label "scarcity" for the situation. Encourage students to give other examples of scarcity at both the personal and societal level.
2. Tell the class that since you do not have enough chocolate bars for everyone who would like one perhaps they can help you think of some ways to distribute the limited supply of candy bars. Say, "I will give a chocolate bar to the three students who suggest the three most creative ways of dealing with the problem. Everyone will have an opportunity to suggest a solution to the problem. After the ideas of the class have been exhausted, the class will vote on the three most creative suggestions. The persons who suggested those ideas will get a chocolate bar."
3. Divide the chalkboard into three sections titled, "Suggestions," "Who Gains?", and "Who Loses?" As methods of allocating the scarce goods are suggested, ask students to determine who gains and who loses using each method. In the discussion of who gains and who loses for each method suggested, encourage students to identify advantages and/or disadvantages of using the method. For each method suggested also encourage class members to identify an example of the use of that method to allocate scarce goods or services in the real world.

4. After class ideas have been exhausted, allow students to vote for what they think are the three most creative methods suggested. Allocate the candy bars to the people who suggested those methods. Debrief the exercise by asking questions which point out that whenever scarcity exists an allocation system must be used and that, depending on the system, some people will gain and others will lose.

5. Explain that every economic system must answer at least three basic questions:

   a. What goods and services will be produced?
   b. How will those goods and services be produced?
   c. For whom shall goods and services be produced?

6. Discuss the four major types of economic systems and how each answers the three basic questions using the definitions below. Write the concept labels for the four types of systems on the chalkboard and orally state the definition for each type of system.

traditional economy	- People repeat the decisions made at an earlier time or by an earlier generation.
command economy	- Decisions are made by an authority such as a dictator or government agency and are then passed down to the people who must accept them.
market economy	- People participate in the making of decisions by registering their desires in the market; the market then "totals" these individual desires and creates out of them aggregate forces called demand and supply which in turn determine prices. Prices are (a) signals which tell producers what consumers want and (b) regulators which allocate resources and finish goods and services.
mixed economy	- More than one of the above three types of decision-making methods are used in a mixed economy, though one type usually dominates.

NOTE: The instructor may wish to give one or more examples from the "real world" of each type of system or have students attempt to identify such examples.

Ask students to identify which of the four types of economic systems best describes the United States. If students are unsure, explain that the U.S. economy is a mixed economy, heavily dominated by the market system. Tell students that in the next lessons they will acquire a better understanding of how a market system functions.

7. Distribute copies of the books Introducing Economics (Federal Reserve Bank of Boston, 1980) and A Framework for Teaching Economics: Basic Concepts (Joint Council on Economic Education, 1977) and make the assignments given for this instructional block.

ASSIGNMENTS FOR INSTRUCTIONAL BLOCK 1

1. Read pages 1-13 of Introducing Economics and complete the study sheet, "Examples of Economic Understandings." The study sheet is to be returned to the instructor following Instructional Block 2.

2. Read pages 1-16 of A Framework for Teaching Economics: Basic Concepts (up to the section on "Microeconomics" beginning on page 16).

3. Read sections of the social studies methods textbook dealing with simulation-gaming and international or global education. (As this assignment will vary with the textbook used, the instructor must provide the precise sections of the text to be read.)

EXAMPLES OF ECONOMIC UNDERSTANDINGS

Directions: Nine economic understandings associated with the problem of scarcity are presented on pages 9-13 of the booklet, Introducing Economics. Three examples are given to demonstrate each understanding. Develop an additional example of each understanding. If possible, attempt to create examples related to the social science discipline of most interest to you.

A.

B.

C.

D.

E.

F.

G.

H.

I.

INSTRUCTIONAL BLOCK 2

"Market Systems"

In this segment of instruction students will:

1. define the laws of supply and demand.
2. determine the quantity of a good that would affect demand or supply at various prices at a given time.
3. use data from supply and demand schedules to determine the market clearing (equilibrium) price of a good.
4. determine how price would be affected by changes in supply and demand.
5. explain that a shortage exists when the price is below the market clearing price and a surplus exists when the price is above the market clearing price.
6. differentiate between monopolistic and competitive markets.
7. differentiate between the inductive and deductive teaching of concepts.
8. develop a lesson plan for teaching an economic concept using either an inductive or a deductive strategy.

PART A

"What's the Price?"

PURPOSE: To illustrate how supply and demand determine price in a market economy

MATERIALS: Worksheet, "My Demand Schedule" (enough copies for one-half of the class members)

Worksheet, "My Supply Schedule" (enough copies for one-half of the class members)

Graph transparency

Two colors of water-soluble transparency markers

PROCEDURES:

1. Divide the class into halves. (To facilitate later tallying, divide students of the class in such a manner that the two halves are on opposite sides of the room.) Distribute the worksheet, "My Demand Schedule," to one-half of the class and the worksheet, "My Supply Schedule," to the other half. Designate one group as buyers and the other as sellers. Show the class a shiny, large, delicious-looking apple and explain that today the class is going to simulate a market for apples.

   Tell the seller group that they can undertake some other school work for a few minutes (or observe these proceedings) until you are ready to give them their directions. Go to the buyer group and ask, "How many of these apples would you be willing and able to buy at 50¢ each." Explain that in addition to wanting to buy apples, students must also be able, that is, they must have the money (or be able to obtain the money) to buy what they say they are willing to buy. Direct students to the worksheet and instruct them to write the number of apples they would be willing to buy at 50¢ per apple in the blank directly across from the figure 50¢. Point out that if a person would be willing to buy five apples at 50¢ each, he or she would be willing to buy <u>at least</u> that many at the next lower price.

   Explain that each time a new price is named, it is like "starting over," that is, if someone says they will buy five apples at 50¢ each and seven apples at 45¢ each, they are not committing themselves to buy a total of 12 apples, but are committing themselves to buy <u>either</u> five apples for 50¢ each or seven apples at 45¢ each. Continue reading the prices at which apples will be offered and having students write in the number they are willing to buy at each price.

   Select ten students to be "adders." Ask students, including the adders, to keep their worksheet on the top of their desks so that as adders come around the group they can quickly see the data. Assign one adder the task of determining the total number of apples which would be purchased at 50¢, another adder the total number at 45¢, and so forth.

Quickly duplicate the worksheet on one side of the chalkboard, substituting the title, "Our Demand Schedule." (NOTE: Since you will likely be projecting a graph on a screen in the middle of the chalkboard later in this lesson, the class demand (and supply) schedules should be written on extreme ends of the chalkboard.) Once each adder has come up with the total for his/her price, that total should be written on the chalkboard in the appropriate blank. Tell this group that you will now be working with the rest of the class for a brief time and they can undertake some other school work for a few minutes (or observe your work with the other group).

2. Direct the supplier group to focus its attention on the worksheet, "My Supply Schedule." Tell this group that each person is going to determine the number of apples he or she would be willing to supply to buyers at various prices. Ask, "How many apples would you be willing to supply if you could sell them at a price of 5¢ each?" Tell students to write the figure for the number of apples they would be willing to sell at 5¢ per apple in the blank directly across from the figure 5¢. Point out that if a person would be willing to sell five apples at 5¢ each, he or she would be willing to sell <u>at least</u> that many (or more) at the next higher price.

   Explain that each time a new price is named, it is like "starting over," that is, if someone says they will sell five apples at 5¢ each and seven apples at 10¢ each, they are not committing to sell a total of 12 apples, but are committing to sell <u>either</u> five apples at 5¢ each or seven apples at 10¢ each. Continue reading the prices at which apples would be offered for sale and having students write in the number they are willing to sell at each price.

   Select ten students to be "adders." Ask students of the group, including the adders, to keep their worksheets on the top of their desks so that as adders come around the group they can quickly see the data. Assign one adder the task of determining the total number of apples which would be offered for sale at 5¢, another adder the total number at 10¢, and so forth. As adders total group results, copy the worksheet on the opposite side of the chalkboard, substituting the title, "Our Supply Schedule." Direct adders to place their totals in the appropriate blank once they are ready.

3. Project and direct student attention to the graph transparency. Write the label "Price" along the left, vertical axis and the label "Quantity" along the bottom, horizontal axis. Help students determine how to record the various prices on the vertical axis. (You may have to point out that equal amounts of space along the axis <u>must</u> represent equal amounts of money.) Record the prices at which apples were offered for sales on the transparency. Then, using the group demand schedule on the chalkboard, have students determine (a) the largest number that must be represented on the horizontal, "Quantity" axis and (b) an appropriate "scale" (e.g., 1 box = 10 apples). Write the selected scale on the transparency.

Proceed by plotting on the graph the quantity of apples demanded at each of the prices, beginning with the first price at which any apples were bought. Connect the dots and label the resulting line, "Demand." Explain that such a line is called a "demand curve." Define demand as "a schedule of the quantities of a good or service that a person (individual demand) or group (market demand) is willing and able to buy at each alternative price during a specified period of time. Lead students to use the data from the graph and group demand schedule to express the Law of Demand - "As the price of a good or service increases, the quantity demanded decreases."

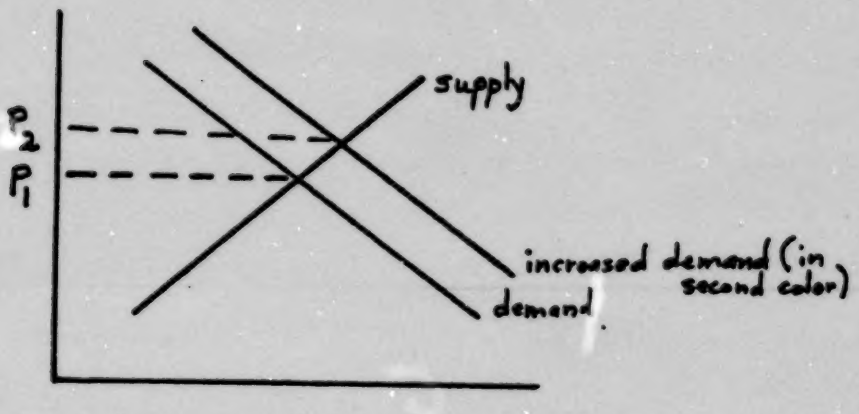
Use the group supply schedule data to plot the number of apples offered for sale at each of the prices beginning with the first price at which any apple was offered for sale. Connect the dots and label the resulting upward sloping line, "Supply," explaining that the line is called a "supply curve." Lead students to use data from the graph and chalkboard group supply schedule to express the Law of Supply - "As the price of a good or service increases, the quantity supplied will increase."

4. From the point at which the supply and demand curves intersect, draw a vertical, dotted line down to the horizontal axis and a horizontal, dotted line over to the vertical axis. Explain that the market clearing price is the price at which the quantity of apples demanded is equal to the quantity of apples supplied. The horizontal dotted line points out the market clearing price and the vertical dotted line points out the quantity of apples which would be supplied and demanded at that price. The market clearing price is the price at which our classroom market for apples is "cleared," that is, the price at which there will be neither a shortage or surplus of apples. Discuss the role of price as an allocating device. Point out that any buyer willing to pay the market clearing price for a product will be able to obtain the product, but those who are unwilling to pay a price as high as the market clearing price will not receive the product. Likewise, suppliers willing to sell their product at the market clearing price will have no difficulty, but sellers willing to part with their product only at a price above the market clearing price will find no buyers. This is how the price mechanism determines who will be able to sell their product and who will be able to buy the product. Tell the class that another term for market clearing price is "equilibrium price."

5. Introduce the following questions to illustrate what happens when there is an increase or decrease in demand or supply. Use the marker of the other color to draw the new demand or supply lines (use dotted lines to illustrate changes in price and quantity). After each illustration remove the line used to show change of supply or demand, so that only one new line will be shown at a time.

   a. What would happen to the market clearing price if everyone's income was doubled?

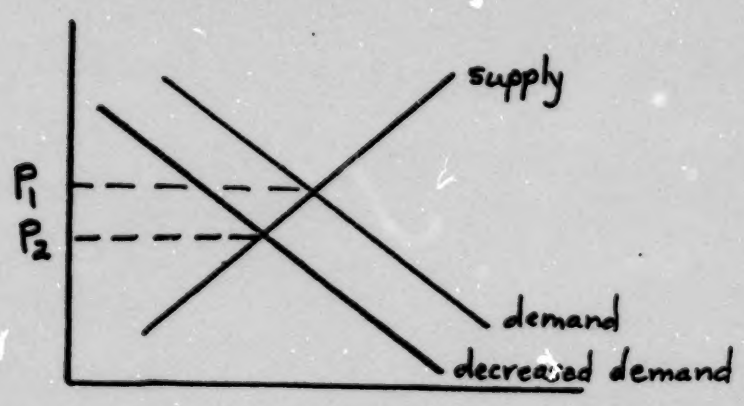
      Ans.: Demand would increase, in other words, people would probably be willing and able to buy more at each and every price. This would be illustrated as shown below.



Thus, the market clearing price would be higher than it previously was.

   b. What would happen to the market clearing price if the price of bananas, a good substitute for apples, decreased?

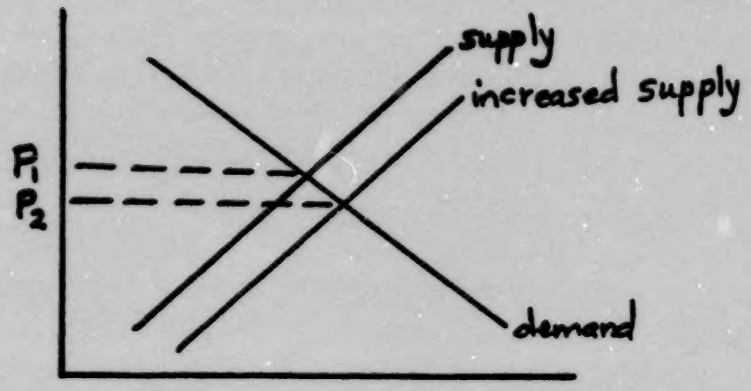
      Ans.: People would buy more bananas and fewer apples, thus demand would decrease, that is, fewer apples would be demanded at each and every price.



Thus, the market clearing price of apples would be lower.

c. What would happen to price if in hard economic times a settlement with the union for workers in the apple industry resulted in greatly decreased wage rate?

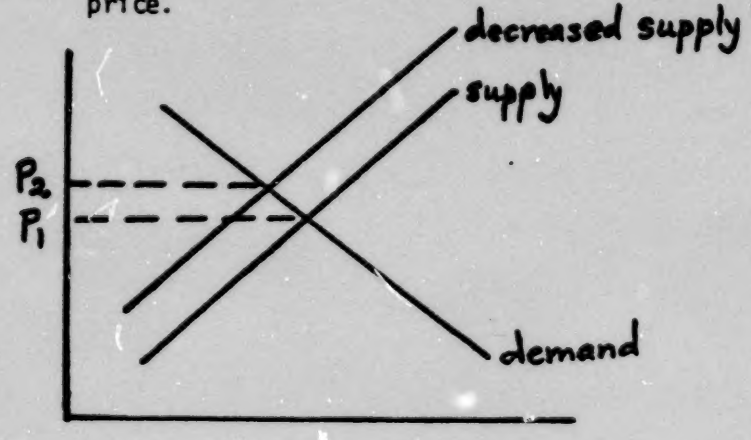
Ans.: Costs of producing apples would decrease and suppliers would be willing to supply more apples at each and every price.



Thus, the market clearing price for apples would be lower.

d. What would happen to price if a drought cut this year's apple production in half?

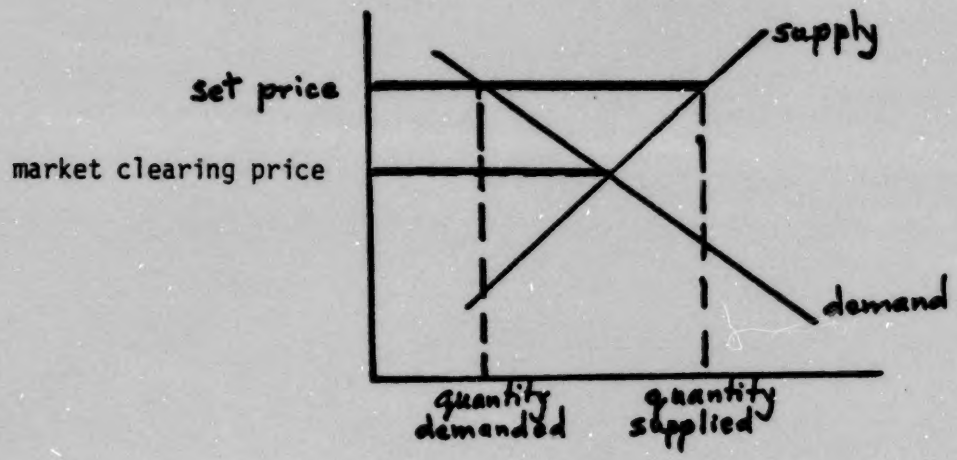
Ans.: Producers would supply fewer apples at each and every price.



The market clearing price for apples would be higher.

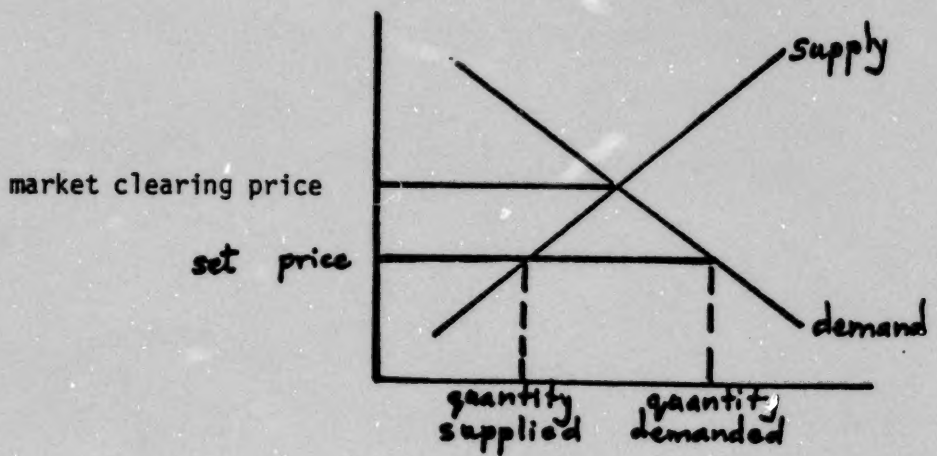
6. Introduce the concepts shortage and surplus using the following questions.

   a. What would happen if the price of apples was set above the market clearing price?



Ans.: The quantity supplied will exceed the quantity demanded at that price, hence there will be a surplus of apples.

   b. What would happen if the price of apples was set below the market clearing price?



Ans.: The quantity demanded exceeds the quantity supplied at that price, hence there would be a shortage of apples.

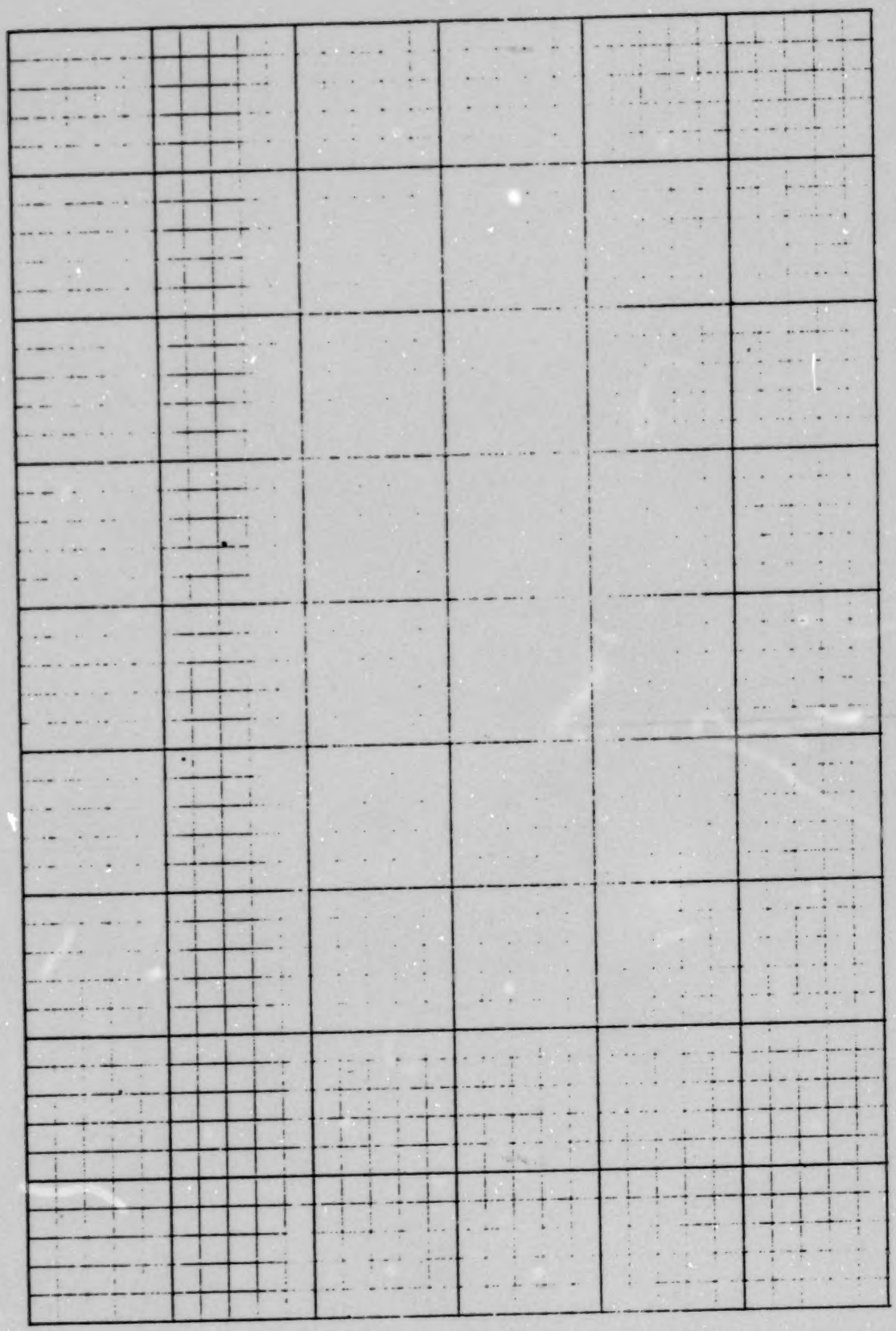
7. Ask students to give everyday examples of the Laws of Supply and Demand in operation. Identify current shortages and surpluses in the United States and ask students how they would eliminate those shortages and surpluses using price.

MY DEMAND SCHEDULE

Price	Number of Apples I Would Demand
50¢	_____
45¢	_____
40¢	_____
35¢	_____
30¢	_____
25¢	_____
20¢	_____
15¢	_____
10¢	_____
5¢	_____

MY SUPPLY SCHEDULE

Price	Number of Apples I Would Supply
5¢	_____
10¢	_____
15¢	_____
20¢	_____
25¢	_____
30¢	_____
35¢	_____
40¢	_____
45¢	_____
50¢	_____



PRICE

QUANTITY

BEST COPY AVAILABLE

PART B

"Monopolistic and Competitive Markets"[1]

PURPOSE: To provide instructional models for the deductive and inductive teaching of concepts in economics and other social sciences

MATERIALS:

Model, "Monopolistic Market"

Model, "Competitive Market"

Worksheet, "Monopolistic or Competitive"

Handout, "A Case Study: Fort Harrison"

Handout, "Concept Learning Process"

Copies of the following curriculum publications: Analyzing Tax Policy: A Resource Guide, Strategies for Teaching Economics: U.S. History, Strategies for Teaching Economics: World Studies and Strategies for Teaching Economics: Basis Business and Consumer Education. (Students choose one of the four curriculum guides.)

PROCEDURES:

1. Explain that in this lesson students will learn about "market structure," an important economic concept. The sub-concepts of "monopolistic market" and "competitive market" will be explored and students will compare two methods of teaching economic concepts or concepts of other social sciences.

2. Write the terms "monopolistic market" and "competitive market" on opposite sides of the chalkboard. The instructor then defines and discusses each term, providing in the definition and discussion characteristics of each. (Note: You may wish to review your understanding of the concepts by reading a good high school or introductory college text.) Other alternatives for this first step would be to (a) read to the class appropriate, short sections from an economics text or (b) provide class members with copies of appropriate pages of a text and ask them to read the material.

   On the basis of the lecture/discussion, the class and instructor write a beginning definition for each concept next to the appropriate term on the chalkboard. The instructor may wish to use the following definitions.

[1]The unpublished materials provided in this lesson were developed by Dr. Emily Melvin, Auburn University, and Dr. David Fell, Frostburg State College, as a result of participation in a curriculum development project at the Center for Economic Education at Purdue University sponsored by the Sears-Roebuck Foundation.

competitive market - a situation in which there are many sellers (suppliers) none of whom can affect the market price, and entry into and exit from the industry are relatively easy.

monopolistic market - a situation in which one or a few firms (suppliers) dominating the market can affect and sometimes control prices, where entry is difficult and, as a consequence, substantial market power may be held by a few producers.

3. Distribute individual copies of the worksheet "Monopolistic or Competitive?" and have students complete the exercise. Then discuss each example of the worksheet, asking students to determine what characteristics of each item influenced their choice. Ask students to speculate about conditions giving rise to monopolistic or competitive markets and conditions which result from both types of markets. (NOTE: The instructor may wish to differentiate between monopoly (one seller) and an oligopoly (a few sellers) pointing out that both types of market structures are characterized by their ability to exercise monopolistic power.)

4. Drawing upon student ideas and given definitions, lead students in the creation of chalkboard models representing monopolistic and competitive markets. See example models provided with this lesson. (NOTE: The instructor may wish to produce transparencies of the two models and have students compare their chalkboard models with the presented transparency models.)

5. Distribute copies of the handout, "A Case Study: Fort Harrison." Direct students to divide a blank piece of paper into two columns headed "Competitive" and "Monopolistic," and, after reading the case study, categorize the different markets illustrated in the case study under the appropriate heading of the paper. Then discuss student responses and further refine and clarify the concepts using examples from the case study.

   Point out that people frequently believe that all monopolies are the result of conspiratorial business practices. Ask students to determine which incidents of monopoly in Ft. Harrison were likely to have resulted from such conspiracies. Ask students to describe monopolies which were not a result of conspiracy. (Students should observe that government may encourage monopolies in utilities or in mass transportation, for example. It should also be noted that monopolies may occur naturally when the market might not support more than one efficient supplier or services, e.g., only one veterinarian in a lightly populated area.)

6. Divide the class into groups of three students each. Direct each group to identify one example of a monopolistic market and one example of a competitive market in the local community or area and be prepared to justify the categorization of its examples. A reporter from each group shares the group's examples and reasoning with the entire class.

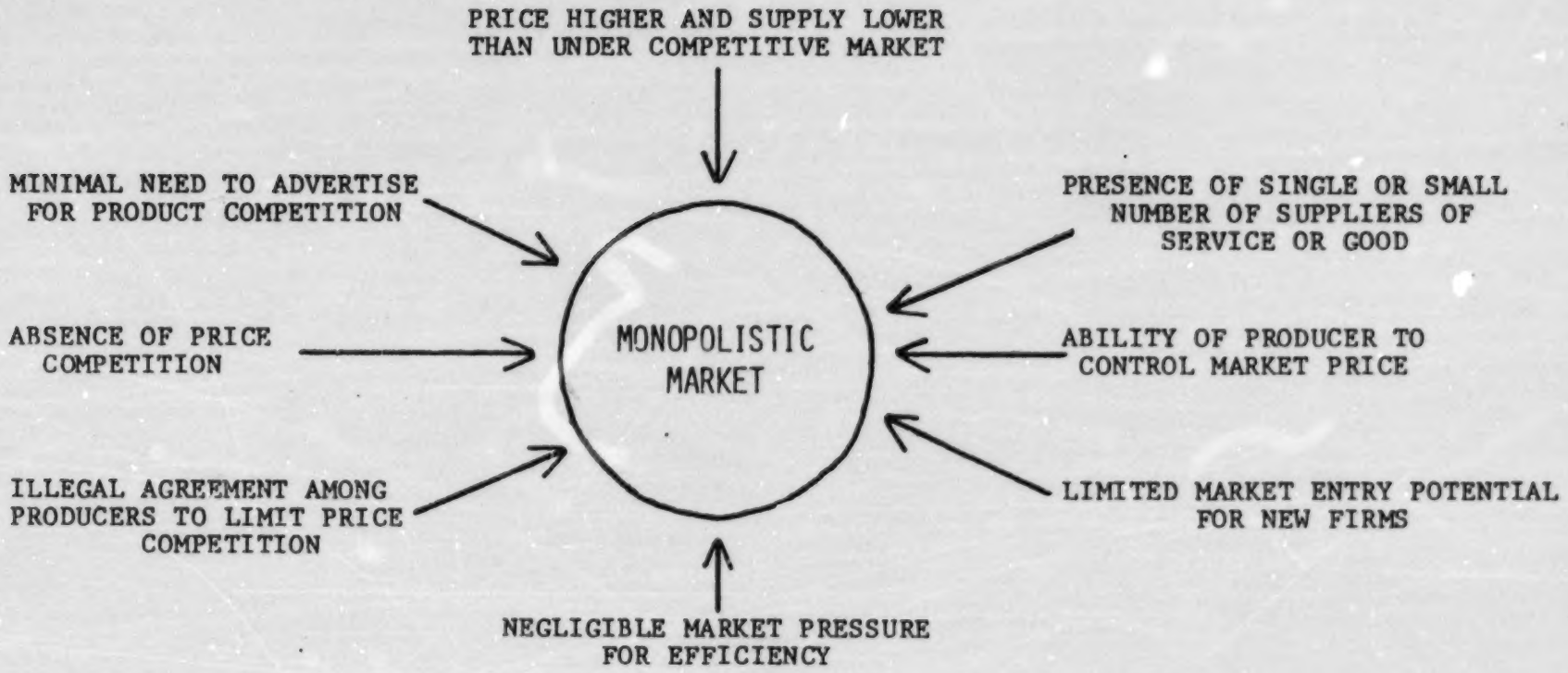
7. Distribute student copies of the handout, "Concept Learning Process," and explain that the handout summarizes two approaches to teaching concepts. Each approach is divided into two phases entitled presentation and explanation, and five teaching steps. Explain that the lesson that you just demonstrated was a deductive concept lesson and have students read the steps listed under "Deductive Approach." Then have students identify the specific segments of the demonstration lesson which represent the five teaching steps.

   Proceed by having students read the steps listed under "Inductive Approach." Ask students to identify how the demonstration lesson would have progressed if it had been taught using an inductive approach. Be sure students understand that the major difference between inductive and deductive concept teaching is that

   a. in deductive teaching, students are given a definition or explanation of the concept(s) and then use that given definition with its defining attributes to differentiate between examples and non-examples. Students proceed from definition or rule (general) to the examples and non-examples (specifics).

   b. in inductive teaching, students analyze examples and non-examples in order to identify the defining characteristics of the concept(s) and develop a definition of the concept. In other words students use examples (specifics) to develop the rule or definition (general).

8. Have each student select <u>one</u> of the four curriculum publications named in the materials section of this lesson and make the assignments given for this instructional block of the module/materials.


PRICE HIGHER AND SUPPLY LOWER THAN UNDER COMPETITIVE MARKET
MINIMAL NEED TO ADVERTISE FOR PRODUCT COMPETITION
PRESENCE OF SINGLE OR SMALL NUMBER OF SUPPLIERS OF SERVICE OR GOOD
ABSENCE OF PRICE COMPETITION
MONOPOLISTIC MARKET
ABILITY OF PRODUCER TO CONTROL MARKET PRICE
ILLEGAL AGREEMENT AMONG PRODUCERS TO LIMIT PRICE COMPETITION
LIMITED MARKET ENTRY POTENTIAL FOR NEW FIRMS
NEGLIGIBLE MARKET PRESSURE FOR EFFICIENCY

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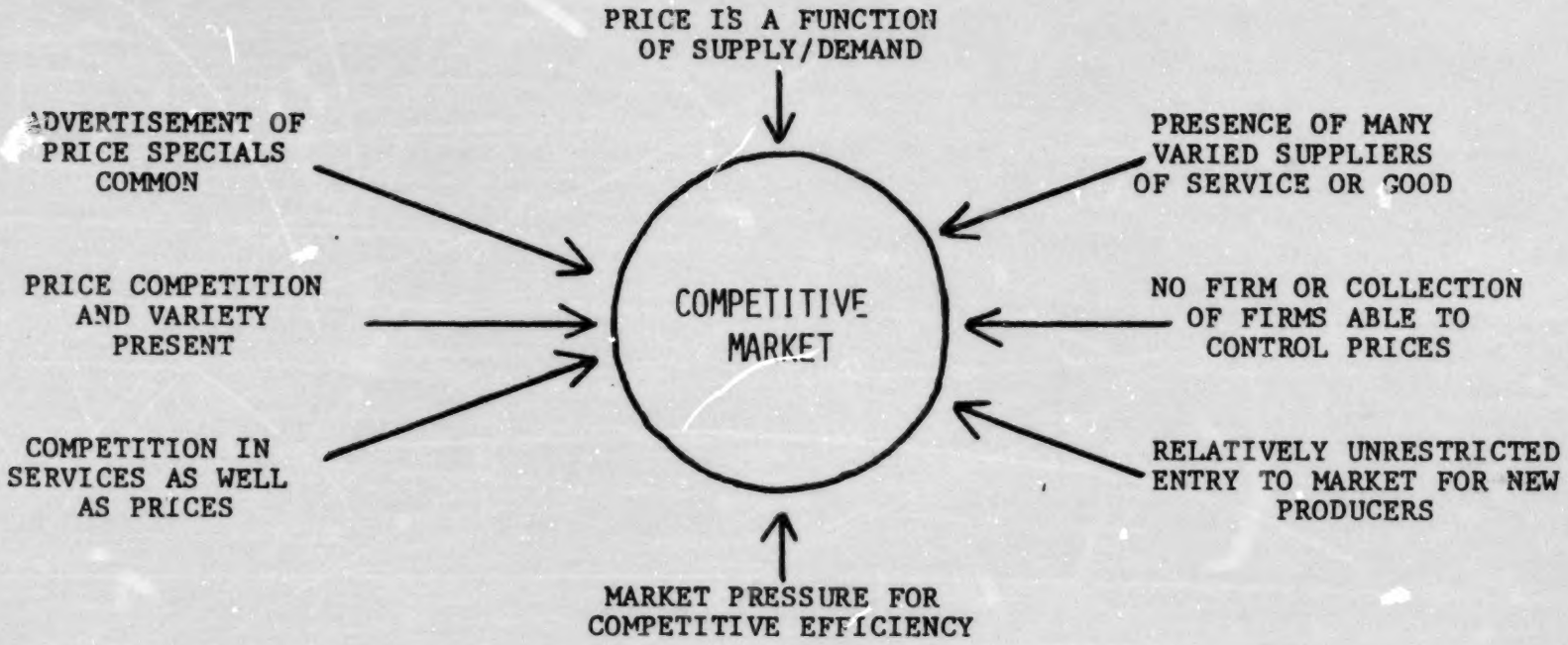
PRICE IS A FUNCTION OF SUPPLY/DEMAND
ADVERTISEMENT OF PRICE SPECIALS COMMON
PRESENCE OF MANY VARIED SUPPLIERS OF SERVICE OR GOOD
PRICE COMPETITION AND VARIETY PRESENT
COMPETITIVE MARKET
NO FIRM OR COLLECTION OF FIRMS ABLE TO CONTROL PRICES
COMPETITION IN SERVICES AS WELL AS PRICES
RELATIVELY UNRESTRICTED ENTRY TO MARKET FOR NEW PRODUCERS
MARKET PRESSURE FOR COMPETITIVE EFFICIENCY

MONOPOLISTIC OR COMPETITIVE?

DIRECTIONS: Read each of the situations below. If the situation describes a monopolistic market structure, write "monopolistic" in the blank to the left of the item. If the situation describes a competitive market structure, write "competitive" in the blank to the left of the item.

_____ 1. Snyders' has the exclusive franchise to market Tuzuki motorcycles in this country.

_____ 2. Sageway begins giving trading stamps in an attempt to encourage more customers to shop there.

_____ 3. Only one airline has direct flights from Pittsburgh to Cleveland.

_____ 4. When shoppers go to the store for coffee, they can't decide which brand to buy.

_____ 5. Dr. Hartwell is the only veterinarian in the area.

_____ 6. A manufacturing company discovers that one supplier controls the bauxite needed for the production of its best selling aluminum product.

_____ 7. Fidelity Bank institutes longer hours and adds a drive-in window to attract more customers.

_____ 8. When Mrs. Brown decides to buy a new color television, she finds that three stores carry the brand and model she would like.

_____ 9. Only one dealer in a hundred-mile radius sells a particular make of foreign car.

_____ 10. Three colleges and universities in a state offer majors in drama, but only one offers a major in chemical engineering.

_____ 11. The city's eight gas stations all sell regular gas at the same price.

_____ 12. Howard's Market runs two-page ads weekly, featuring low prices and coupon specials.

A CASE STUDY: FORT HARRISON

Although not a metropolis, Fort Harrison is far from being a one-horse town. In addition to the public high school, there are two private high schools - one Catholic and one Lutheran. The city even has two television stations and two daily newspapers, although both newspapers are owned by the same family. City residents obtain electricity from a city-owned plant; moreover, there is service from one water company and one phone company in the locality. The city's main traffic artery is dotted with fast food chains, gas stations and taverns. In fact, residents point with ironic pride to the fact that there is an equal number of bars and churches in the town. The city's residents also point with pride to Harrison Memorial, the only hospital in a forty-mile radius, and to the fact that the hospital staff includes the only cardiologist and allergist in this part of the state. With the presence of the hospital, the area has an unusually high number of general practitioners and family practice specialists for a town of its size, unlike nearby Greenville which has been seeking a local doctor for three years. City gourmets also savor the delicacies from "Au Petit Paris," the only authentic French restaurant in the state. On weekends, cars from as far away as three hundred miles can be seen in the restaurant's parking lot. Yet, townspeople agree, Fort Harrison is a pretty good place if people come that far just to eat a meal.

CONCEPT LEARNING PROCESS

	DEDUCTIVE APPROACH	INDUCTIVE APPROACH
PRESENTATION PHASE	1. CONCEPT IDENTIFICATION: Students are provided with the concept label as well as a definition, description, or explanation related to it as set forth by an authority (teacher, text, expert).	2. CONCEPT INTRODUCTION: Students are provided with examples of the concept to be addressed.
	2. DEDUCING CONCEPT ATTRIBUTES: Students are provided with: a. a set of examples of the concept. b. defining attributes common to all given examples.[1] c. a description, diagram, or outline of the concept resulting from the information processed above.	2. INDUCING TENTATIVE CONCEPT: Students brainstorm to: a. identify the common defining attributes in the provided examples.[1] b. determine a description, diagram, or outline of the concept resulting from the information processed above. c. develop a label or name for the concept being developed.
EXPLANATION PHASE	3. TESTING THE TENTATIVE CONCEPT:[2] Students test their tentative concept with additional examples. Students should be encouraged to differentiate examples and non-examples of the concept.[3]	
	4. REFINING THE CONCEPT: Students refine the concept as new attributes or relationships are introduced by stage 3 examples. If not, students move immediately to stage 5.	
	5. APPLYING THE CONCEPT TO NEW SITUATIONS: With new situations transfer of concept from a classroom to "real-life" environment should occur as part of a continuous learning process.	

[1]With highly complex concepts, it may be necessary to sub-categorize the defining attributes. For such an example, see Barry Beyer, Teaching Thinking in Social Studies (Columbus: Charles E. Merrell Publishing Co., 1979), pp. 197, 204.

[2]With relatively simple concepts, the operation may conclude with stage 3. With more complex concepts or with concepts being reintroduced at a higher level of sophistication, it would be necessary to complete the expanding phase.

[3]With a pervasive concept such as scarcity, non-examples often seem contrived (e.g., cold air at the North Pole). When appropriate, however, it is crucial for students to be able to differentiate examples from non-examples of the concept.

This material was taken from Master Curriculum Guide in the Nation's Schools: Part II, Strategies for Teaching Economics: Using Economics in Social Studies Methods Courses. New York: Joint Council on Economic Education, 1982, p. 2.

ASSIGNMENTS FOR INSTRUCTIONAL BLOCK 2

1. Read pages 16-30 of A Framework for Teaching Economics: Basic Concepts.

2. Read the introductory material of the curriculum document chosen and analyze the lessons dealing with the concepts of scarcity, opportunity cost, supply, demand, price and markets in the curriculum publication selected. Encourage students to read other lessons of the publication as they have time.

3. Write a lesson plan for teaching an economic concept utilizing either a deductive or inductive approach as described on the handout, "Concept Learning Process." The lesson plan should include the following components.

   CONCEPT:
   CONCEPT DEFINITION: (Definition should include defining attributes.)

   BEHAVIORAL OBJECTIVE(S):
   PROCEDURE: (Using the five-step procedure of the handout.)

The instructor should set a deadline date for submission of the completed concept lesson. It is recommended that the instructor accept the lesson plan any time before the initiation of Instructional Block 6 of these materials.

INSTRUCTIONAL BLOCK 3

"Production"

In this segment of instruction students will:

1. identify examples of the three factors of production.
2. define and give examples of the law of diminishing marginal returns.
3. participate in production processes.
4. determine how investment in capital increases productivity.
5. identify factors which must be considered before a decision is made to invest in capital.
6. develop a study guide for use by secondary school students.

PART A

"More, More, More?"

PURPOSE: To introduce three factors of production

To demonstrate the limited suitability of one resource for another (the law of diminishing marginal returns) in production processes

MATERIALS: Approximately 15-20 sharpened pencils

Approximately 200 sheets of blank paper

PROCEDURES:

1. Begin the lesson by showing the students a new pencil. Ask, "What did it take to produce this finished product?" As students respond, write their responses on the chalkboard. (NOTE: As responding progresses, you may notice that items representing one or more of the factors of production defined below are being omitted; if this is the case, ask more specific questions to elicit a wider diversity of responses.)

2. Write the terms "land," "labor" and "capital" on the chalkboard. Orally give the following definitions for the terms and then give examples of each concept from a specific industry such as the manufacture of cars.

   land - natural resources available from nature including (1) the fertility of the soil, (2) deposits of minerals, (3) lakes, streams and other sources of water, (4) topographical features such as mountains and (5) space

   labor - services provided by people who work

   capital - items made by people which are used in the production of other goods or services

   Have students categorize each response concerning pencils as land, labor or capital. (You may need to point out that some responses illustrate a combination of two or more of the factors.)

   Explain that these factors of production are the "inputs" of production processes.

3. Tell students that they are going to work in a factory that you are starting. The factory produces widgets.[1] You know that

[1]The idea for this segment of the lesson is found in the Instructor's Resource Guide to Economics: An Introduction to the World Around You (Addison-Wesley Publishing Company, Inc., 1976), pp. 10-12.

widgets will sell but you aren't sure how many workers you should hire. Produce a widget for the class (see instructions below) and check to be sure students understand the procedure.

DIRECTIONS: Using a sheet of blank 8½" x 11" paper,

1. fold it in half
2. fold it in half again
3. fold it in half one more time
4. place an X in each of the four corners and circle each X

4. Elicit student suggestions as to how many workers you should hire and comment that it seems reasonable that more workers can produce more goods.

5. Using one student desk or a small desk no larger than 2 ft. by 3 ft. as the factory, place the desk at the front of the room so all students will be able to see the production. Place the sheets of paper and pencils on the top of the desk. Have students identify the land and capital factors of production now represented. Explain that you now need some labor and select one student to produce widgets. Tell the worker and class that the time allotted for production will be 60 seconds. Select a student volunteer to serve as the timer.

   Explain that you will serve as the quality control manager throughout the activity to prevent shoddy work. After the first 60 seconds of production, begin the following chart:

Number of Workers	Total Units Produced
1	(Number of acceptable units produced by the first worker)

6. Select an additional worker for the factory and allow 60 seconds of production. Record the number of workers and number of total units produced on the chalkboard chart. In each round of production add one additional worker, produce for 60 seconds and add data to the chart. Watch for total production to increase, level off and then begin to decline. When the decline occurs, stop the 60-second rounds of production. Then add a column titled, "Marginal Output," to the chart and have the class determine the marginal output for each additional worker. Marginal output is the addition to the total output resulting from each one unit increase in the factor of production being varied (in this case, the number of workers). For example, if one worker produced five widgets and two workers produced eight widgets, the marginal output was three units (eight widgets - five widgets); that is, the second worker resulted in the output of three additional widgets. The chart will look as follows with, of course, the exact numbers resulting from your class). (NOTE: Students will periodically reorganize to increase efficiency; do not allow the introduction of additional pieces of capital [another desk, chairs, pencils, etc.]).

Workers	Total Units Produced	Marginal Output
0	0	0
1	4	4
2	9	5
3	16	7
4	26	10
5	32	6
6	35	3
7	33	-2

7. Ask students to describe orally what happened to total output and marginal output as the number of workers increased. Use student descriptions to develop a statement of the law of diminshing marginal returns. This law is an expression of the behavior of total output in a production process where all inputs are held constant except one. As this one input is increased, output increases slowly at first, then speeds up and then beyond a certain point (the point of diminishing returns) begin to diminish. Ultimately the level of total output will reach a maximum and then begin to decrease absolutely. Ask students to identify which inputs were held constant (land and capital - table and pencils) and which input was varied (labor).

8. Ask students to think of other examples of the law of diminishing marginal returns. If students have difficulty begin with the examples given on page 29 of the student text, Introducing Economics. Another example is increasing world population.

   Explain that some economic resources in the world are limited in quantity (e.g., land on Miami Beach, fossil fuels). Identify the limited economic resources in the above production activity (the factors of production held constant - land and capital). Since outputs can be produced using different combinations of inputs, you might expect that a variable resource (in the case of the activity, labor) could be substituted for the limited resource(s). Problems arise, however, from the limited substitutability of one resource for another. These problems are expressed in the law of diminishing returns. For example,

> Urban land is limited in quantity. Suppose, however, that we could substitute capital in the form of infinitely high buildings for scarce central city land. Skyscrapers would be built with three or four hundred floors or maybe even a thousand floors so that all of the offices in a major city could be included within a four-block area. You know, however, that this would not work. The elevators--as the buildings got taller--would take up more and more of the usable space. Problems of fire prevention would become unmanageable. The problems of transporting large

masses of people to and from such buildings would be unsolvable with today's technology. Hence, the usefulness of the building when capital is substituted for land beyond a certain point decreases sharply. This relationship between inputs and outputs has assumed a pattern which is repeated over and over again in nature and, hence, has been formulated into a basic economic law.[1]

[1]Weidenaar, Dennis and Weiler, E. T. Economics: An Introduction to the World Around You. (Addison-Wesley Publishing Company, Inc., 1976), pp. 34.

PART B

"Improving Productivity through Investment"

PURPOSE: To demonstrate the effect of the use of capital goods on production output and productivity

To illustrate factors a business (producer) considers when deciding whether or not to invest in capital goods

MATERIALS: Handout, "Organizational Skills I" (enough copies for one-half of the class)

Handout, "Organizational Skills II" (enough copies for one-half of the class)

Handout, "Computational Skills I" (enough copies for one-half of the class)

Handout, "Computational Skills II" (enough copies for one-half of the class)

Hand-held calculators (enough for one-half of the class, in advance ask each student to bring one calculator, this should result in enough for half of the class)

Watch with a second hand

Individual copies of Trees and TVs in the International Marketplace

Handout, "Study Guides"

PROCEDURES:

1. Randomly assign the class to two different groups. Explain that each group will simulate a business; one group (business) will produce arithmetic computations; the other group (business) will produce alphabetized names. Tell each group what it will be producing and ask each group to come up with a business name. Write the group names on opposite ends of the chalkboard.

2. Distribute a copy of the handout, "Organizational Skills I," to each member of the business which is to produce alphabetized names and a copy of the handout, "Computational Skills I," to each member of the business which is to produce computations. Distribute all the handouts FACE DOWN and tell students they are not to turn the papers over until the signal to begin production is given. Explain that workers in each business are to produce as many correct responses as they can in the given production time, which will be exactly 60 seconds (1 minute). Point out the importance of accuracy by telling students that wrong responses (answers) will not be counted. Tell the alphabetizing business that their responses must be in a "last name, first name" format (e.g., Johnson, Sally). Tell the computation business that all solutions to division problems must be rounded to the nearest tenth (e.g., an answer of 36.78 would be rounded to 36.8). Check to see whether either group has any questions about the task.

3. Using a watch with a second hand, give students the signal to begin production. After exactly 60 seconds, give the signal to stop. When you say "stop," tell students to put their writing instruments down even if they are in the middle of a response. Read the following answers to the two groups and have students correct their own papers and then write the number of correct responses at the top of the handout.

ANSWERS: ORGANIZATIONAL SKILLS I

1.	Allen, Felicia	11.	Dooley, Vince
2.	Allen, Jed	12.	Downs, Alice
3.	Allen, Todd	13.	Hill, Joey
4.	Almond, Jane	14.	Hill, Kristen
5.	Ames, Jessica	15.	Hines, Anna
6.	Anderson, Bob	16.	Hines, Zelda
7.	Dodd, Aristotle	17.	Hinkle, Art
8.	Dodd, Bobby	18.	Tarpkins, Velma
9.	Donahue, Phil	19.	Tarpkins, Vernon
10.	Dooley, Ellen	20.	Townsend, Charles

COMPUTATIONAL STILLS I

1.	2074	6.	42,458
2.	12,558	7.	95,550
3.	293.6	8.	32
4.	487,974	9.	93,603
5.	951.4	10.	1918.5

Assign one person from each group (business) to total the individual scores to determine the number of correct responses produced by the group. Write these totals under the business names on the chalkboard.

4. Ask each group to brainstorm for a couple of minutes to come up with suggestions as to how more responses could be produced in the same time period. Let groups report their suggestions to the class.

5. Distribute the handout, "Organizational Skills II," to the alphabetizing business and the handout, "Computational Skills II," to the computation business. Distribute the handouts FACE DOWN and again state that sheets are not be turned over until the signal to begin production has been given. Explain that the sheets given the alphabetizing business contain an aid that should help workers produce more correct responses. Tell the computation business that they will be able to use calculators this time. Distribute calculators to the computation workers. (NOTE: If some members of this group were unable to bring a calculator, ask members of the alphabetizing group who brought calculators to loan theirs as they will not be using them in their production process. Directions for production are the same as they were in the first production period; the instructor may wish to repeat them.

Give the signal to begin and allow production to again last exactly 60 seconds. When the signal to stop is given make students put their writing instruments down even if they are in the middle of a response. Read the following answers to the two groups and have students correct their own papers and then write the number of correct responses at the top of the handout.

ANSWERS: ORGANIZATIONAL SKILLS II

1.	Black, Janet	11.	Lovett, Maria
2.	Brown, Betty	12.	Lowry, Eugene
3.	Brown, Gary	13.	Redstone, Debra
4.	Brown, Robert	14.	Redstone, Donald
5.	Bunker, Wayne	15.	Robertson, Chuck
6.	Byrd, Joseph	16.	Sailors, Jack
7.	Logan, Larry	17.	Sailors, Lucy
8.	Logan, Tom	18.	Samuels, Alice
9.	Long, Nancy	19.	Samuels, Walter
10.	Lovett, Allison	20.	Sanders, Fred

COMPUTATIONAL SKILLSI

1.	23,236	6.	64,232
2.	32,046	7.	544,896
3.	362.9	8.	61
4.	242,760	9.	113,305
5.	2,896.6	10.	4,071.7

Assign one person from each group to total the individual scores to determine the number of correct responses produced by the group. Write these totals under the totals of the two businesses for the first production period.

6. Have students compare the two totals in each business. Ask, "What happened to the amount of production in the alphabetizing business?" Explain that the amount of production can also be called the <u>output</u> of the business. Ask,

   a. Why did production increase?
   b. Did the use of pre-sorted names increase productivity of the workers? Were workers able to produce more output in the same period of time?

   Define "productivity" as "output per unit of input."

   Ask similar questions for the computation business. Elicit the term "improved <u>technology</u>" or "improved <u>capital</u>" for the production aids (pre-sorted names and calculators) used in the second production period. (NOTE: If students, suggest that the pre-sorted name list was not capital, you may wish to add that the business could well have used a computer to pre-sort the names.)

7. Tell students that the owners of the two business had borrowed the improved capital for the second production period in an attempt to determine whether they should invest in the purchase of those materials for their firms. Point out that the owners would be purchasing the technology (capital); therefore, they must give up something in order to make these purchases. Ask, "What will the owners give up if they purchased the capital?" (The cost of the materials and the lost opportunity to use that purchase money for something else, e.g., the lost interest that money could earn if it were left in a savings account.)

   Ask, "What must the owners determine before they buy the capital?" (Whether the value of the added production would be greater than the value of using that purchase money in some other way; e.g., in a savings account drawing interest.)

8. Tell students to pretend that the owner of the computation business was paying each worker $5 per hour. Work through the following calculations with the class.

   a. If the owner expects to solve 15,000 computation problems in one year, how much will it cost him if he pays the workers to solve them by hand?

      ANSWER:

      Step 1. First determine the number the group would solve in one hour (the total number the group got correct in 1 minute X 60.)

      Step 2. Then determine how many hours it would take for the group to solve 15,000 (15,000 divided by the answer to Step 1 above.)

      Step 3. Figure the group's pay for one hour (The number of workers in the group multiplied by $5.)

      Step 4. Multiply the group's pay for one hour (The answer to Step 3) by the number of hours it would take the group to solve 15,000 problems (the answer to Step 2) to determine the total cost.

   b. How much will it cost the owner to solve the 15,000 computation problems if students use calculators?

      ANSWER: Follow the same four steps as above using the group's total for the second production period (when workers were using calculators) in Step 1.

   c. How much in labor costs would the owner save by having workers solve problems using calculators?

      ANSWER: The final answer for letter a above minus the final answer for letter b above.

d. What will it cost the owner if he spends $10 for each calculator and he draws this money out of a savings account drawing 10% interest?

ANSWER:

Step 1. Figure the total cost of calculators ($10 X the number of people who worked in the business.)

Step 2. Figure the interest lost for one year. (The answer to Step 1 above X .10)

Step 3. Add the answers to steps 1 and 2.

e. If the owner wishes to regain his investment in one year, should he buy the calculators?

ANSWER: Compare the answers to letters c and d above. If the amount saved (answer to c) is larger than the cost of investing in calculators (answer to letter d), then he should buy the machines.

f. If the owner invests in calculators, how might this affect the workers in his business?

POSSIBLE ANSWERS: Since the business can produce the same number of computation in less hours, the owner might
(1) ask each worker to work less, resulting in a drop in each earner's income.
(2) fire some workers who are not good at using calculators and ask workers who are good at using calculators to work longer hours.

With faster calculators and the possible lower prices to consumers, the business may be able to attract more customers to keep workers on the job.

9. Ask students if they think it is easy for a business to decide whether to invest in capital goods? (After the calculations above, it is quite likely they will respond "no.")

10. Ask students to think of everyday examples which illustrate how productivity is increased by introducing capital goods into a production process.

Ask, "How can productivity be increased by investing in workers?" Introduce the term "human capital" and ask students to give examples of how investment in human capital - the education and training of workers - can result in increased productivity.

11. Explain that one of the biggest instructional problems faced by most teachers is the inability of student to comprehend reading material in the course text. Reading educators have developed many techniques to alleviate this problem; one of the more effective techniques for social studies instruction is the use of study guides. Tell students that the major assignment for this instruction block is the development of a study guide. (NOTE: If the social studies methods text has a segment on reading in the social studies, the instructor may wish to also have students read that material.)

    Distribute copies of Trees and TVs in the International Marketplace and the handout, "Study Guides," and make the assignments given.

ORGANIZATIONAL SKILLS I

DIRECTIONS: Alphabetize the following names, by last name, as quickly as possible. Both the last and first names must be written on each line.

Anna Hines
Joey Hill
Todd Allen
Jed Allen
Vince Dooley
Bobby Dodd
Alice Downs
Felicia Allen
Vernon Tarpkins
Jessica Ames
Phil Donahue
Art Hinkle
Ellen Dooley
Aristotle Dodd
Bob Anderson
Kristen Hill
Velma Tarpkins
Charles Townsend
Jane Almond
Zelda Hines

1. _____
2. _____
3. _____
4. _____
5. _____
6. _____
7. _____
8. _____
9. _____
10. _____
11. _____
12. _____
13. _____
14. _____
15. _____
16. _____
17. _____
18. _____
19. _____
20. _____

ORGANIZATIONAL SKILLS II

DIRECTIONS: Alphabetize the following names, by last names as quickly as possible. Both the last and first names must be written on each line.

B

Brown, Gary
Brown, Robert
Brown, Betty
Cyrd, Joseph
Black, Janet
Bunker, Wayne

L

Lovett, Maria
Logan, Tom
Long, Nancy
Lovett, Allison
Logan, Larry
Lowry, Eugene

R

Redstone, Donald
Robertson, Chuck
Redstone, Debra

S

Samuels, Alice
Sailors, Jack
Sanders, Fred
Sailors, Lucy
Samuels, Walter

1. _____
2. _____
3. _____
4. _____
5. _____
6. _____
7. _____
8. _____
9. _____
10. _____
11. _____
12. _____
13. _____
14. _____
15. _____
16. _____
17. _____
18. _____
19. _____
20. _____

COMPUTATIONAL SKILLS I

DIRECTIONS: Division computations should be rounded to the nearest tenth.

1. 122×17

2. 483×26

3. $52\overline{)15,265}$

4. 501×974

5. $33\overline{)31,397}$

6. 923×46

7. 2275×42

8. $69\overline{)2,208}$

9. 761×123

10. $46\overline{)88,249}$

COMPUTATIONAL SKILLS II

DIRECTIONS: Division computations should be rounded to the nearest tenth.

1. 628
   X 37

2. 654
   X 49

3. 63) 22,861

4. 408
   X595

5. 27) 78,209

6. 868
   X 74

7. 6192
   X 88

8. 59) 3,599

9. 527
   X215

10. 18) 73,290

level, applied, a student is to apply or transfer information learned at the literal and interpretive levels to other situations. At the applied level, students synthesize prior knowledge and experiences with information from the new learning task to form new relationships and to expand meanings. Essentially, students are guided through a "chaining" process (Gagne, 1970) of combining details from the information to form concepts, which are then combined with previously formed concepts and principles to develop ideas, generalizations, and principles.

The following example of a level guide includes statements concerning the economic concept "money" and illustrates the types of statements a teacher might include at each level.

Literal Level: (What does the author say?)

_____1. To have value, money must be generally accepted by people in exchange for goods.
_____2. Commodity money is backed by gold or silver.
_____3. Coins and paper money are currency.
_____4. Token money is currency that has no inherent value.

Interpretive Level: (What does the author mean?)

_____1. Gold and silver are the best forms of money.
_____2. The willingness to accept and use money is what is important, not the particular form money takes (gold, silver, etc.).

Application Level: (How can this be applied?)

_____1. The value of a dollar is just to buy things.
_____2. Money has little value to its possessor unless it also has value to others.
_____3. Time is money.
_____4. Money takes many forms.

Notice that students will be responding to statements rather than to questions. They will place a check beside any statement which applies to the information in the learning material they have used. The important part of this type of exercise is the students' justifications for the answers that they give. The follow-up discussion is a time for motivating students toward consensus about the broad general principles.

It is important to have students read the guide prior to reading an assignment, viewing a film, etc. Teachers may feel that students will only attend to those sections referred to in the guide and disregard the remainder of the information. This may happen at first. If students were formerly not attending to any of the information, this will be a positive step. As students do more guides, they begin using them more effectively. However, guides are not to be used for every lesson since one purpose in using them is to help students become independent learners by improving their skills in selectivity and accuracy of recall and application of information.

Study Guides[1]

Study guides are often useful when teachers want to provide students with the structure and guidance needed to fully comprehend difficult information presented in some content areas. Discretion must be exercised in their use, however. The following cautions should be considered before using a study guide with any class of students.

1. Study guides should not be used for every reading or learning assignment but should be limited to use with material which needs to be carefully examined due to its difficulty or with students who need particular help in comprehending the materials being presented.

2. Study guides should not only help the student to understand the WHAT of the content of a specific selection, but should also help the student learn HOW to process the materials. Content determines what processes are necessary, hence, different types of guides are used for different processes.

3. It is essential to vary the format of study guides to prevent student boredom. They may lose their effectiveness as an instructional tool if this is not done.

4. Since a study guide is not a test, study guides should not be graded.

5. Study guides are most effective when they are used as a basis for discussion in small groups, between an individual student and teacher or with the entire class.

There are different types of study guides, each useful for different purposes. Three types will be described and illustrated: level guides, concept guides and pattern guides.

The Level Guide

A level guide is a type of guide which is constructed on the premise that comprehension takes place at three intellectual levels. A three level guide, as developed by Harold Herber (1978), includes three sets of statements designed to guide a person through three distinct levels of comprehension as they apply to information in a specific new learning task.

Reading comprehension can be conceptualized as a three-level process: literal, interpretive and applied. At the first level, literal, the student's learning task is to determine what the author actually has said. The second level of comprehension, interpretive, requires the student to derive various meanings from relationships among the statements, and at the third and highest

[1]Brown, Mary Jo McGee. Improving Comprehension and Vocabulary Development in Economics. Center for Economic Education, University of Georgia, Athens, GA, 1979, pp. 16-26.

The following are two alternate procedures for constructing a three level guide. The first procedure moves from the applied level to the literal; the second is from the literal to the applied. In practice, a teacher will probably work on all three levels simultaneously as a guide is constructed.

Alternative 1

(Applied to Literal)

1. Consider possible ideas or generalizations that might be derived from the learning material. How might ideas be applied to new situations, prior knowledge of your students, etc.? Develop statements that focus on these aspects of "applied" comprehension.

2. Formulate statements of meaning (inferences) that might be drawn directly from the learning material. These are "organizers" for relating the specific information provided.

3. Construct statements to check literal comprehension by analysis of the material and selection of only those details essential to inferences students will make at the interpretive level.

Alternative 2

(Literal to Applied)

1. Establish content objectives for the learning materials used in the lesson.

2. Identify data essential to objectives and develop statements for literal level comprehension. Ask yourself: 1) What is the essential information? 2) What important things did the author say?

3. Determine how the selected data fit together, how they are related. Develop statements that express or check the comprehension of these ideas or "meanings." Ask yourself: 1) What ideas is the author trying to communicate? 2) What does he mean by what he says?

4. Examine Step 3 statements and determine how these might be associated with other ideas, principles or situations that are related to the central purpose of the lesson. Create appropriate statements or exercises.

(Adapted from Herber, 1978)

One problem which students may encounter in responding to statements at the literal level is a lack of knowledge of definitions of words necessary to determine what information is actually being presented. Frequently statements at this level are taken verbatim from the information source and students can locate the information and identify it as being in the source, but it carries no meaning for them and, therefore, cannot be used in determining relationships for the interpretive and applied levels. Certainly the importance of an

overall teaching plan for a specific lesson which includes vocabulary development and reinforcement exercises for important terms and concepts is evident at this point. The students' needs and the nature of the content will determine the sequence of strategies and activities used for different lessons.

For the interpretive level, students must identify relationships which exist in the information and conceptualize ideas formed by those relationships. At this level, students determine the "implied" meanings based on information which is explicitly stated. Since prior experience and knowledge will affect perceived relationships in the information, students' responses on interpretive level statements may vary somewhat where responses at the literal level will not vary.

Reaction to statements at the applied level require synthesizing prior experiences and knowledge with ideas and concepts the student has derived from the learning materials to evolve broad generalizations or principles. This level of reaction may be particularly helpful to students who are having difficulty perceiving the relevance of what they are learning to their own experiences and to previously learned ideas. Rather than compartmentalizing information, comprehension at this level allows students to integrate and synthesize knowledge and experiences across subject areas and from sources outside the school.

The following cautions should be considered when using level guides. First, emphasize to students the importance of justifying their responses at each level using information they have gained from the instructional materials utilized. If they cannot locate support in these sources, the response would be inappropriate in that context. Second, do not limit "low achievers" or "poor readers" to responses only at the literal level of comprehension. Frequently their experiences or prior knowledge enable them to respond to statements which go far beyond their reading capability, allowing them to make positive contributions in the class discussion. Third, in using level guides with small groups or individuals, remember that the teacher-guided, follow-up discussion with the whole class is crucial for maximizing a guide's success in improving comprehension. The justification of responses and ensuing verbal interaction are parts of the process of comprehension which lead to the identification of major concepts and principles. Fourth, have students read the guide prior to their contact with the new information and then make their responses afterward. Fifth, establishing a major concept to be stressed in teaching the content of a lesson is a basic step in constructing a level guide.

The Concept Guide

With the large number of new concepts and ideas presented in economics, the concept guide is quite useful in helping students learn conceptually through categorization and association. It is based on the theory that learning is a two-step process. First, the student becomes aware of an idea, and second, he/she then categorizes the idea by associating it with previously learned ideas or experiences.

The theory on which concept guides are based is an information theory called "chunking." Chunking has been defined as the "process of rearranging the stimulus input into a more efficiently organized 'sequence of chunks'" (Ausbel, 1968). The idea is that people can remember things which they can

associate, or chunk, into higher order categories.

Objects and ideas can be categorized in different ways. Teachers must be specific in stating the criteria for placement of ideas into categories provided. This can be accomplished in the first section of the concept guide using a word meaning type of exercise such as matching, fill-in-the-blank, or definitions for the key concepts.

Ideas can be categorized by both form and function and students may have difficulty distinguishing between the two. Understanding the difference is important for flexibility in categorization.

Form and function are interrelated in that one frequently determines the other. Form refers to the structure of a concept based on the features identified as necessary for classification in a category. For example, to be a table, something must be a piece of furniture and have a smooth, flat slab fixed on legs. Those are the criteria for classifying something as a table. A chair, although it is a piece of furniture, does not have the other characteristics and so does not have the defined form and, thus, cannot be categorized as a table.

The function, or use for which a thing exists, can determine variation in form. Tables can be sub-categorized into dining tables, end tables, drafting tables, pool tables, etc. Although a pool table can be categorized as a table using the criteria given above, the function it serves requires the additional characteristics of a cloth covered top, sides, and pockets.

Consider an example from economics. The concept "money" can be conceptualized or categorized by form (currency, checks, credit cards, etc.) or by function (means of exchange, store of value, means of payment).

As seen by these examples, things can be categorized by form, function, or form and function. Categorization by single attributes is easier than categorization using multiple attributes. Each method of categorizing will require different ways of grouping things based on different criteria and will result in different lists of examples. The ability to categorize in different ways is an essential part of problem solving.

The following is an example of what a concept guide might look like. Generally the format is to deal with term meanings and relationships in the first part and then present a categorization task in the second part.

Concept Guide Example - Economic Goods

Introduction: Economic goods can be defined as any goods which are scarce relative to human wants. Often people use the term "goods" when they are really referring to both goods and services.

I. Directions: Match the terms "goods" and "services" with the definitions that go with them. Write the letter of the definition you select for each term in the space provided.

_____1. Goods — A. Things; outputs that are tangible and can be stored

_____2. Services — B. Activities done for other people; outputs that are intangible and are consumed as they are produced

II. Directions: Place each of the following examples in the correct category.

1. legal advice
2. pencil
3. entertainment
4. shirt
5. car
6. typewriter ribbon
7. haircut
8. can of beans
9. education
10. heart surgery
11. gas
12. blue jeans
13. auto repair
14. fruit trees

Goods	Services

The Pattern Guide

Frequently, the manner in which a reading selection or media presentation is organized is one of the most useful characteristics in aiding students' comprehension of the material. Textbooks generally have an overall organization pattern, and just as important are the numerous subpatterns used within the chapters, sections, or even paragraphs. Types of thought relationships which are most common are comparison-contrast, cause-effect, sequence, and simple listing. Others such as categorization and general idea-specific detail are also useful in the social studies.

Good readers and writers know these relationships. It is important to teach students what organizational patterns are by showing them examples in texts or guiding them through examples in media presentations. Frequently, authors cue the reader to a pattern through the use of signal words. Students will become familiar with these patterns if they are presented during specific assignments which exemplify various patterns. The following is a partial list of signal words for the most common organizational patterns.

Signal Words for Pattern Identification

(Vacca, 1973)

Cause & Effect	Simple Listing
because	to begin with. . .
since	first. . .second. . .
consequently	next. . .
if. . .then	then. . .
as a result	finally. . .
therefore	
this led to	
nevertheless	

Comparison/Contrast	Time Order
however	when
but	not long after
yet	now
as well as	as
on the other hand	before
not only. . .but also	after
while	during
similarly	on (date)
either. . .or	by
neither. . .nor	since
	within

Students need help in recognizing these signal words and in realizing their implications for pattern identification and general comprehension. This can be done in a type of guide called a pattern guide. Of course, the information to be learned must be presented in a clear pattern in order to use this type of guide effectively. The pattern guide will provide students with needed practice in comprehending thought relationships found in organizational patterns. The guide may take different forms. Some of the forms are listed below.

1. It may be a list of specific causes and direct students to identify the effects.

2. It may list causes, have parts of the effect, and require students to fill in the blanks to complete statements about the effect(s).

3. It may list one half of a comparison or contrast and direct students to fill in the other half.

4. It may just be a skeleton outline of main ideas, the task of the students being to supply the supporting details.

The following is an example of a comparison/contrast guide.

Comparison of Stocks and Bonds

Directions: We have been studying about two types of investments - stocks and bonds. The following exercise will require you to think about them together and determine in what ways they are different and alike. One part of each comparison is provided for you. You must complete the comparison by filling in the blanks.

Stocks	Bonds
1. Stocks represent ownership.	1. Bonds represent_____.
2. The stockholder is a part owner of the corporation.	2. The bondholder _____ _____.
3. Stocks have no maturity date for payment.	3. _____ _____.
4. _____ _____.	4. Corporations do not have to issue bonds.

Pattern guides are most successfully used when the teacher constructs them for use by the particular students he/she is teaching and for a particular learning material which lends itself to this kind of guidance because it exhibits some type of clear pattern. Group work on the guides works quite well, particularly if the groups are instructed to be able to justify their responses relative to the instructional material used. Class discussions which follow tend to be constructive and student oriented. The teacher can extend students' practice by having them locate newspaper articles which illustrate different types of patterns used in reporting economic news. Students can then share the articles in class and discuss different patterns and the implications of each pattern for comprehension.

SAMPLE LEVEL GUIDE[1]

"Choice"

Directions: Read each of the following statements PRIOR to watching program 1, "Choice." After the program, place a check by each statement you think is true. Be prepared to justify each of your statements in class discussion based on what you saw in the film.

Interpretation

What was the film trying to say?

_____1. Parents always limit kids' choices.

_____2. Everyone can do anything they choose to do.

_____3. Circumstances create and limit choices.

_____4. Some resources are scarce, and once used, cannot be replaced or used for anything else.

_____5. People often have choices between two positive situations.

_____6. You should consider all short and long-range outcomes before making a decision between alternatives.

_____7. Opportunity cost is what must be given up when one makes a choice.

Application

From what you saw in the film, which of the following statements do you agree with? Think of examples in the film to support your answer. Think of additional examples.

_____1. You can't have your cake and eat it too.

_____2. Remember, that time is money.

_____3. Economy is going without something you want today in case you should, some day, desire something you don't want now.

_____4. Time is what we want most, but what, alas, we use worst.

_____5. People often have to make a choice between two negative alternatives.

[1]Brown, Mary Jo McGee. Improving Comprehension and Vocabulary Development in Economics. Center for Economic Education, University of Georgia, Athens, GA, 1979, p. 40.

SAMPLE CONCEPT GUIDE[1]

"Productive Resources"

Introduction: Productive resources are the input to production. Goods and services are the output of production.

Directions: There are several types of productive resources. The three major types are listed below. Match each with its definition by placing the CAPITAL LETTER of the correct definition in the space provided.

_____1. Natural resources	A. People and their physical and mental capacities
_____2. Human resources	B. Those things created by man's past efforts that are available to produce goods and services in the future
_____3. Capital goods	C. Gifts of nature used to produce goods and services

CATEGORIZATION TASK

Concepts: natural resources, human resources, capital goods

Directions: Following the list of words below, there are three categories. Place each word in the list under the category to which it belongs. Some may fit under more than one category. CAUTION: Be prepared to justify your choices during class discussion.

1. climate
2. factories
3. fertility of soil
4. hours people work
5. labor skills
6. machines
7. mineral deposits
8. money
9. number of people available for work
10. oil
11. quality of labor force
12. space
13. timber
14. time
15. tools
16. water

Natural Resources	Human Resources	Capital Goods

[1]Brown, Mary Jo McGee. Improving Comprehension and Vocabulary Development in Economics. Center for Economic Education, University of Georgia, Athens, GA, 1979, p. 58.

SAMPLE PATTERN GUIDE (COMPARISON/CONTRAST)[1]

"Advantages and Disadvantages of Investment in Capital Goods"

A. Capital goods are defined as buildings, tools, machines and other equipment used by workers in production.

B. The following list includes both advantages and disadvantages of buying new tools and machines or constructing a new building for a business (investing in capital goods). Place each item under either the column "advantage" or the column "disadvantage." Be prepared to justify your choice.

1. loss of savings and accumulated interest to make the investment
2. increased business
3. workers replaced by new machines
4. income increased
5. increased productivity
6. retrain workers to use new machines
7. repayment of loan (principal and interest)
8. increase wages of workers
9. increase profit
10. loss of opportunity to use savings for other purchases
11. risk of not increasing business and losing investment
12. expanding business and increasing the number of workers

Advantages	Disadvantages

C. Considering all of these, what might you consider as a businessman BEFORE you decide to invest in capital goods to increase production?

[1]Brown, Mary Jo McGee. Improving Comprehension and Vocabulary Development in Economics. Center for Economic Education, University of Georgia, Athens, GA, 1979, p. 53.

ASSIGNMENTS FOR INSTRUCTIONAL BLOCK 3

1. Read pages 14-35 of Introducing Economics. Encourage students to think of other everyday examples of each of the presented economic understandings.

2. Read the section of the social studies methods textbook dealing with lesson and unit planning.

3. Read and study the instructional unit Trees and TVs in the International Marketplace. Explain that each student will, using either this unit or the unit given out in Instructional Block 4, compare the selected unit (and its accompanying lessons) with what the social studies methods text author describes as good lesson and unit planning. Students will complete and hand in the form found on the next page once the analysis if completed.

4. Read the handout, "Study Guides," and construct either a level, concept or pattern guide to correlate with the reading material of a chapter or unit of a secondary school economics text. (NOTE: The instructor will need to point out where copies of secondary school economics books are located on the campus.)

LESSON AND UNIT PLANNING

Unit Analyzed:

Strengths of the Unit:

Weaknesses of the Unit:

INSTRUCTIONAL BLOCK 4

"Money and Banking"

In this segment of instruction students will:

1. explain how money facilitates exchange.
2. identify forms of money.
3. utilize group work and reports to learn selected content concerning money, banking and the Federal Reserve System.
4. evaluate instructional activities.
5. use a group work and reporting experience to identify examples of group study principles.

PART A

"Why Money?"

PURPOSE: To illustrate how money facilitates exchange

MATERIALS: Program 9, "Why Money?", of the Trade-offs educational television series (available at no cost in 16 mm and/or videotape format from your state Council on Economic Education or nearest Center for Economic Education)

16 mm projector or 3/4" color videorecorder playback equipment (depending on format of the program you are able to obtain)

One set of "Exchange Escapade Cards" (A complete set of the cards will be included in the curriculum unit students receive in Part B of this instructional block.)

Handout, "Trade-offs"
Handout, "Give & Take "

PROCEDURES:

1. Prior to the lesson make a set of ten exchange cards by cutting apart the sections of the sheet, "Exchange Escapade Cards."

   Begin by selecting ten students to become game players and direct them to come to the front of the room so that (a) they will have room to move around and (b) the rest of the class will be able to easily observe their actions. Supply each of the ten players with an exchange card.

2. Explain to the players and class the following information: Each card represents an item or service and provides the owner with instructions. One cardholder is dissatisfied with the item or service he or she owns; the others are happy with what they have. The unhappy owner will attempt to exchange a hammer for a transistor radio. The remaining nine players will only trade the item or service they have for the particular thing stated on their cards.

   Begin the exchange activity. (If players have difficulty, you might suggest that the unhappy owner may have to trade for other things in order to eventually get a transistor radio.) The activity concludes when the unhappy owner finally has the radio he/she wants and all other players are satisfied with what they have.

   Discuss the activity using the following questions.

   Game Players

   a. Is it realistic for different people to value items/services differently? Explain.
   b. What determines value?
   c. What feelings did you have when you played this activity?

Observers (Other Class Members)

a. What items or services were present in this society? What fraction of the goods and services in a society such as the United States would the goods/services of this activity represent?
b. What forced the unhappy owner to make so many exchanges?
c. Does the problem you observed ever exist in reality? Explain.

3. Tell the class that the program they are going to see illustrates a mechanism which facilitates trade. Ask them to watch for (a) how people in the program expect to benefit when they trade and (b) two different things that can be used as money. Show Trade-offs Program 9, "Why Money?"
4. Use the following questions for debriefing the program.[1]
   a. How would you answer Mr. Simons' question, "Why is money generally best?"
   b. Why did Mr. Simons prefer cash over checks?
   c. Why did Mr. Simons not want to accept credit cards?
   d. Why do people trade?
   e. Why does the use of money make trading easier?
   f. Why can checks be used as money?
   g. What other uses, besides making trade easier, do we have for money?
   h. Ask students to relate experiences in which they have made a trade using direct exchange (sometimes called barter). Discuss the following:
      - What did you trade and what did you recieve in return?
      - Why did you make this trade?
      - Were there any problems in making this trade? Explain.
      - Would the use of money have made your trading easier? Explain how.
   i. Help students understand that money today consists of coins, paper bills, and checks by discussing the following:
      - What are the two main forms of money used today?
      - Why are each of these needed?
      - Why is a check considered money?
      - Why are checks sometimes better than coins and currency?

[1] A Guide to Trade-offs, Agency for Instructional Television, Bloomington, Indiana, 1978, p. 24.

5. Tell the class that what they saw was one of fifteen lessons of the Trade-offs economic education series. Distribute the handout "Trade-offs" and explain that this sheet provides a synopsis of the fifteen programs and concepts taught in the series (concepts are printed inside the parentheses). Explain that though this series was designed for 9-through 13-year-olds, many high school economics teachers are making some use of selected programs.

6. Point out that many state departments of education and school systems are placing increased emphasis on economics instruction in the social studies, business, home economics and mathematics curricula.

   Tell the class that a similar series on economics entitled, "Give and Take" has been developed by the Joint Council on Economic Education, the Canadian Foundation on Economic Education and the Agency for Instructional Television. The program format is similar to that used in the Trade-offs series. This series is also available in both 16 mm and videotape format. Information on the "Give and Take" series can be obtained from any of the following agencies:

   Agency for Instructional Television
   Box A
   Bloomington, Indiana 47401

   Joint Council on Economic Education
   2 Park Avenue
   New York, New York 10016

   Your state Council on Economic Education
   (See Instructional Block 6 for an explanation of how to determine the appropriate person/address for your state.)

EXCHANGE ESCAPADE CARDS

Hammer - Dissatisfied Owner - Exchange your hammer for a transistor radio.	Ring - Satisfied Owner - Exchange only for a gold pen.
Transistor Radio - Satisfied Owner - Exchange only for a haircut.	Gold Pen - Satisfied Owner - Exchange only for a steak dinner.
Haircut - Satisfied Owner - Exchange only for eyeglasses.	Steak Dinner - Satisfied Owner - Exchange only for a pair of concert tickets.
Eyeglasses - Satisfied Owner - Exchange only for gloves.	Two Concert Tickets - Satisfied Owner - Exchange only for two flute lessons.
Gloves - Satisfied Owner - Exchange only for a ring.	Two Flute Lessons - Satisfied Owner - Exchange only for a hammer.

Taken from Money, Banking and the Federal Reserve System: An Instructional Unit, Federal Reserve Bank of Minneapolis, Minneapolis, Minnesota.

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Trade-offs

Developed jointly by the Agency for Instructional Television, the Canadian Foundation for Economic Education, the Joint Council on Economic Education, and a consortium of forty-eight state and provincial agencies.

Produced under the direction of AIT by the Educational Film Center (North Springfield, Virginia), the Ontario Educational Communications Authority, and public television station KERA, Dallas.

Chief Consultant: Phillip Saunders, Professor of Economics, Indiana University.

"Trade-offs" is designed to help students think their way through economic problems and increase their understanding of economics. Using dramatization and special visuals, each of the fifteen programs considers a fundamental economic problem relevant to the daily life of the child, emphasizes the economic principles and reasoning processes involved in dealing with the problem, and introduces similar unresolved problems to stimulate classroom discussion and follow-up activities.

The Programs

1. **Choice (Opportunity Cost)**—Gordon's big choice is how to use his time--a scarce resource on an afternoon when he is invited to both a ballgame and the amusement park.
2. **Malcolm Decides (Personal Decision-making)**—Malcolm decides how to use his gift certificate by employing a decision-making process whose steps are: defining the problem, listing alternatives, stating criteria, evaluating alternatives, and making the decision.
3. **We Decide (Social Decision-making)**--A scarcity of school bicycle racks prompts a class to think of several ways the problem might be solved and then to analyze each alternative.
4. **Give and Take (Trade-offs Among Goals)**—Freddie and Jim differ about what is more important—building a tree house or improving their go-cart track. They learn that all-or-nothing choices can be avoided, and that through trade-offs they can give up some of one thing to get some of another thing.
5. **Less and More (Increasing Productivity)**—Ricky takes over the management of the family delicatessen and increases productivity. While the new efficiency helps raise wages and hold down prices, one waitress has to change jobs and the security of the elderly cook is threatened.
6. **Working Together (Specialization)**--Maury, Eddie, and Diane realize they can save valuable time on Saturdays if they specialize and work together to wash their fathers' cars. They also discover some disadvantages of specialization.
7. **Does It Pay? (Investment in Capital Goods)**—Bobby figures that it will take seven more weeks of hard work with his pushmower to earn the remaining $100 he needs to buy the used car of his dreams. Could he get the car quicker if he bought a new power mower?
8. **Learning and Earning (Investment in Human Capital)**—To have a chance at the job of junior playground supervisor, Judy takes an eight-Saturday training course. She pays $20 for books and gives up the $80 she would make at the supermarket. Eventually the investment pays off. Andrea, who takes the same course, is not so fortunate.
9. **Why Money? (Voluntary Exchange)**—After a day-long round of trading that involves such diverse items as Aunt Matilda's antique lamp and two large pumpkins, Christina finally gets her skateboard. Christina learns that using money is much more convenient than trading, and that checks as well as currency can be used as money.
10. **To Buy or Not To Buy (Buyers and Market Demand)**--When Uncle Gus agrees to let Sharon and her friends sell his bakery's Danishes door-to-door, he suggests they begin with a market survey. They learn how price and other factors such as advertising affect market demand.
11. **To Sell or Not To Sell (Sellers and Market Supply)**—Cathy weighs the costs and benefits of making wooden trays for Mrs. Guthrie's gift shop against those of gardening for neighbors.
12. **At What Price? (Market Clearing Prices)**—Bert's dad, who owns a sporting goods store, offers a midsummer special on baseball bats because he overstocked. Jennifer and Judy discover that when sale prices are set too low, a shortage of shirts develops. Later Bert and his friends try to determine a price that will just "clear the market" without either a surplus or a shortage, when they set up a refreshment stand.
13. **How Could That Happen? (Interdependence of Market Prices)**—How could an "Arnie Oates" music craze lead to an increase in the supply of hamburgers and a shortage of football helmets? Such riddles can be unraveled through an understanding of the interdependence of prices in a market system.
14. **Innocent Bystanders (Market Intervention: Reducing Indirect Costs)**--Jerry's Friday night rock band practice throws his sister and their neighbor, Mrs. Gillespie, into an uproar. A TV game show called "Innocent Bystanders" takes up the question of who should pay for a place for the band to practice.
15. **Helping Out (Market Intervention: Increasing Indirect Benefits)**—Sarah is saved from a series of painful rabies shots because Shogun, the dog who bit her, had been vaccinated. How can the town council insure that all dogs get their rabies shots? Should town funds be used to provide the shots?

"GIVE & TAKE"

PROGRAM DESCRIPTIONS

1. You Choose (Scarcity and Personal Decision Making)

   When two teenagers decide to earn money over vacation painting an apartment, they find they have difficulty budgeting their time and managing their money. An easy five-step decision-making model helps them find good solutions to their problems.

2 We Choose (Scarcity and Social Decision Making)

   A lunch-hour jaywalking accident at school confronts the student council with a conflict between individual rights and social responsibilities. Crossing guards are one answer, but there's no money to pay for them. What to do? They discover that when the issue is consumer protection, reconciling conflicting goals is not an easy task.

3. Let's Save (Opportunity Cost)

   A rock trio decides it will be a good trade-off to give up movies, records, and other of life's pleasures to save money for new outfits. Then the special needs of one of the group's members gives him other opportunity costs to consider and forces the trio to make a new decision.

4. Creditwise (Opportunity Cost)

   Credit offers many advantages, and a young spendthrift has discovered most of them. But when her credit begins to run out, her parents, her best friend, and even her little sister try to convince her that she would be wise to find out about the opportunity costs of credit.

5. Where Do Jobs Come From? (Derived Demand)

   When his mother loses her job because the product she helps manufacture is no longer in great demand, a young man is certain he made the right choice. He will quit his job and train for another in a field where the demand for a service will keep him in demand, too. But his sister faces a tough choice of whether to take a chance and begin a singing career or try more cautious paths.

6. A Key to Productivity (Human Capital)

   Two friends find that learning a new job skill raises their productivity and leads them to better employment opportunities. When a competitor comes looking for skilled workers, each boy begins a re-evaluation of his career plans in light of his newly acquired worth.

7. Private or Public? (Public Goods & Services)

   Everyone likes the new park the sophomore class at a local high school has created on a privately owned lot, but now a businessman wants to buy it. Should the owner sell the park to a private concessionaire for a fast food trolley, or should the city try to find the funds to buy the lot for use as a public park?

8. Changing Taxes (Public Goods and Services)

   A teenager loses more than his job when the city reduces services after the voters approve a tax cut. Without money to buy a car, how will he visit his girl, who lives in another city? Romance receives an unexpected benefit when his father's refuse collection business expands in the wake of a reduction in another city service and a new set of wheels becomes available.

9. Market Prices (Supply and Demand)

   This combination of documentary and dramatic vignettes explores the many effects a change in the price of sugar has on consumers and on the economy generally.

10. The Changing Market (Supply and Demand)

    Three teens go into business for themselves and find it is not always easy to balance supply with demand. First the demand for their new unisex perfume exhausts their supplies, then a drastic drop in demand has them searching for new ways to sell their product.

11. Take Your Choice (Substitution)

    There are substitutes for almost everything. When the only delivery truck in a rural community is wrecked, a teenager finds a way to save his beloved horse. He proves that sometimes it makes economic sense to substitute old ways for new ones.

12. Why Competition? (Market Structure)

    The school concession stand enjoys a monopoly and prices are high. A group of students decides that some competition could help the entire student body. It works: the prices come down all right, but can the group operate its business that way indefinitely?

[1]Taken from the Workshop Leader's Handbook for Give and Take, Joint Council on Economic Education, New York, New York, 1982, pp. 113-114.

PART B

"Money, Banking and the Federal Reserve System"

PURPOSE: To introduce students to content concerning money, banking and the Federal Reserve System through a group process activity

MATERIALS: Individual copies of Money, Banking and the Federal Reserve System: An Instructional Unit, Federal Reserve Bank of Minneapolis, Minneapolis, Minnesota, 1982

Handout, "Instructional Activity Evaluation Form"

Handout, "Group Instructions" (6 copies)

Handout, "Working in Groups"

PROCEDURES:

1. Distribute individual copies of Money, Banking and the Federal Reserve System: An Instructional Unit and give a very short introduction to the materials using pp. 1-3 of the "Instructor's Guide." (Time: 5 minutes)

2. Tell students that they are going to work in groups to:

   a. study and evaluate lessons of the various sections (sub-units) of the material.
   b. discuss the section assigned.
   c. give a short (3 minute maximum) report on the assigned section to the class.

   Divide students into six study groups as follows (based on the number of activities in each section of the unit).

   NOTE: The instructor may need to make variations based on the number of methods students in the class. As activities are short, it would be possible for some students to work on more than one activity. Another option would be to not use all sections of the materials. The instructor could report on the section(s) not utilized.

   Group 1 - 4 students - "Money"
   Group 2 - 6 students - "Bank Services and Functions"
   Group 3 - 4 students - "The Federal Reserve System"
   Group 4 - 3 students - "How the Clearinghouse Works"
   Group 5 - 2 students - "How Banks Create Money"
   Group 6 - 7 students - "How Monetary and Fiscal Policies Work"

   After groups have been physically set up, distribute the handout, "Instructional Activity Evaluation Form," to each student and the one copy of the handout, "Group Instructions" to each group. Direct students to take the folder for the assigned topic from the packet and explain that each group has approximately twenty minutes to complete the tasks listed on the handout, "Group Instructions." (Time: 10 minutes)

3. As students work in groups, circulate among the groups to answer any questions which may arise. (Time for Group Work: 20 minutes)

4. Refocus the class for group reporting. Remind students that the group reports are to be of three minutes or less duration. Point out that secondary students often have difficulty reporting in a concise manner; thus the need to set an appropriate time framework. Reporters present group findings to the class. (Time: 20 minutes)

5. Distribute the handout, "Working in Groups." Explain that students are to complete the form based on the experience just conducted. (NOTE: This is to be done out-of-class and returned to the instructor. At this time the instructor may also wish to assign the section of the social studies methods text dealing with group work as outside reading.)

INSTRUCTIONAL ACTIVITY EVALUATION FORM[1] SH 81

NAME: _____

DATE: _____

TITLE OF INSTRUCTIONAL MATERIALS: _____

NUMBER AND/OR TITLE OF ACTIVITY: _____

ACTIVITY EFFECTIVENESS (circle the number you think indicates the appropriate rating):

1. Are objectives stated clearly?

   Very Clear 5 4 3 2 1 Vague

2. Are objectives realistic in terms of student maturity at the specified grade level?

   Very Realistic 5 4 3 2 1 Unrealistic

3. Are teaching procedures stated in a manner so as to be easily understood?

   Easy to Understand 5 4 3 2 1 Difficult To Understand

4. Are teaching procedures appropriate for accomplishing objectives?

   Very Appropriate 5 4 3 2 1 Not Appropriate

5. Are teaching procedures appropriate for students of this age or grade level?

   Very Appropriate 5 4 3 2 1 Not Appropriate

6. Are recommended student materials appropriate for the age or grade level specified?

   Very Appropriate 5 4 3 2 1 Not Appropriate

7. To what extend does this activity contribute to pupils' understanding of the particular economic concept it is designed to teach?

   Very Much 5 4 3 2 1 Not At All

8. Will it be easy to determine if pupils have achieved the objectives?

   Easy to Determine 5 4 3 2 1 Difficult To Determine

9. What would be your overall rating of the activity in terms of its effectiveness for achieving stated objectives?

   Very Effective 5 4 3 2 1 Not At All Effective

COMMENTS AND RECOMMENDATIONS: What changes and/or additions would you recommend for making this a more effective instructional activity? (Comments are to be written on the back of this page.)

[1]Adapted from the form used in evaluating activities found in the strategies books of Master Curriculum Guide in Economics for the Nation's Schools: Part II, Strategies for Teaching Economics, Joint Council on Economic Education, New York, New York.

GROUP INSTRUCTIONS

1. Select a group leader/reporter and have that person orally read these directions to the group.

2. Individually read the first part of the materials, "About This Section."

3. Decide which group member will read and evaluate each activity; this can be done by either self-selection or assignment by the leader.

4. Each group member reads the activity description (and accompanying materials) and completes the handout, "Instructional Activity Evaluation Form," for the activity he/she selected or was assigned.

5. Each group member gives a short (approximately 1 minute) description and evaluation of his/her activity.

6. As a group, develop a three minute (maximum) summary of the materials to be presented to the class by the leader/reporter. The summary should include:

   A. A statement of the content taught.

   B. Evaluative comments concerning the materials based on selected items of the evaluation form.

WORKING IN GROUPS

DIRECTIONS: Listed below are some general guidelines to consider when planning experiences in which students work in groups. For each presented guideline develop a statement describing how the guideline was or was not adhered to in the group work experience of the lesson just conducted.

1. The size of the group should be appropriate for the task assigned.

2. The task(s) and directions for completing the task(s) should be clear.

3. The task(s) should be structured in such a way that each member of the group is involved in its (their) completion; the activity should promote interaction among group members.

4. The task should not be so difficult as to cause students to give up prematurely; that is, students should be capable of successfully completing the task.

5. Groups often fail because they are given too much time; the time allowed should be appropriate for the task to be accomplished.

6. Provision should be made for the expression of group findings.

7. The task should be meaningful. It should promote the learning and expression of important content, skills and/or processes.

ASSIGNMENTS FOR INSTRUCTIONAL BLOCK 4

1. Read pages 36-43 of Introducing Economics. Try to develop an additional example of each economic understanding presented.

2. Read pages 31-45 of A Framework for Teaching Economics: Basic Concepts. Identify a contemporary issue which could be analyzed by secondary students in the manner presented in this section.

3. Remind students of the unit evaluation assignment (see Instructional Block 3 Assignments). Students may utilize either Trees and TVs in the International Marketplace or Money, Banking and the Federal Reserve System.

INSTRUCTIONAL BLOCK 5

"Government in the Marketplace"

In this segment of instruction students will:

1. determine why some goods and services are produced by government(s) rather than by individuals.
2. choose how they would spend government tax dollars and compare their spending patterns with the actual spendings of governments.
3. match consumer spending agencies with citizens who may need those agencies' assistance.
4. identify two major functions of government.
5. identify broad goals generally deemed desirable in American society.
6. recognize the impact of individuals' values on decision-making.

PART A

"Uncle Sam Helps!!"

PURPOSE: To introduce two important economic functions of government - the purchase of goods collectively for the welfare of the people and redistribution of income to overcome poverty and/or suffering of some people

To familiarize students with the functions of several federal consumer agencies

MATERIALS: Worksheet, "Where Would I Spend the Money?"

Transparency, "General Expenditures of Federal, State and Local Government by Function, 1975-1980"

One set of "Helpmate Statement Cards" (and a copy of the cards for each student)

PROCEDURES:

1. Begin this lesson by reviewing the three levels of government (local, state and federal). Ask students to identify the means by which governments obtain the funds to conduct programs. Have students identify (a) goods and/or services provided by various levels of government and (b) sources of funds (taxes) for each level of government.

2. Have students attempt to explain why some goods and services are produced by governments (e.g., national defense, highways) rather than by individuals. Some desired goods and services require substantial resources to produce; one or a few individuals would not have the necessary resources. Since it is not feasible to prevent non-purchasers from enjoying many goods/services produced by government(s), there is little incentive for individual purchasers to buy them. For example, if individuals were to purchase goods such as national defense, it would not be feasible to prevent free loaders from enjoying the fruits of the production of such goods. Introduce the term "public goods" used to label this concept.

3. Distribute a copy of the worksheet, "Where Would I Spend the Money?", to each student. Tell students that they are to (a) think of all monies collected by local, state and federal governments combined (b) determine how they would spend each $1.00 (100¢) of monies collected by the combined governmental levels. Have each student fill in the cent figures for how he/she would spend each combined tax dollar. When everyone has finished, direct students to compare their allocation with those of their classmates to determine the one person with the most similar allocations to theirs. Ask a couple of divergent "pairs" to discuss their allocations with the class.

   Project the transparency, "General Expenditures of Federal, State and Local Governments by Function, 1975-1980." Have students compare their allocations to actual government allocations. Encourage students to hypothesize as to how such a circle graph for the years 1980-1985 might differ from the projected circle graph.

4. Point out that when students think of themselves as consumers, they often think in terms of consuming goods. However, people also consume services. Ask for examples of some services people might consume. Explain that while many kinds of services must be purchased, others are available free (or at nominal cost) from local, state and federal government agencies. These services vary from direct benefits (e.g., Aid to Dependent Children) to indirect assistance (the work of government regulatory agencies) to the provision of useful information. Such services are provided free or inexpensively to users because they are supported by public taxation. Often, however, people who are eligible to receive various kinds of benefits do not apply for them because they do not know where to seek the kinds of assistance they need.

5. Prior to beginning this lesson the instructor should have made one set of the "Helpmate Statement Cards" provided with this lesson. Divide the class into two equal groups and give each member of one group a "Need Help" statement and each member of the other a "Can Help" statement. There are 36 cards provided; surplus cards would not be used. For example, if there are 30 students in the class, do not use "Need Help" statements 16, 17 and 18 and "Can Help" statements R, P and Q. If there is an odd number of students keep an extra "Can Help" statement.[1]

6. Explain that the purpose of this activity is to help students learn about the kinds of services provided by departments and agencies of the federal government. Each student should read his/her card carefully to be sure it is understood. Then the "Can Help" students form a line at the front of the room and the "Need Help" students have approximately 5 minutes to find the matching "Can Help" students who represent the most appropriate source of help. Once a student has found the "best" helpmate, the two should move, as a pair, to another part of the classroom. After "pairs" have been made, have each pair read their statements and let the class quickly decide whether they think the right match was made. Ask, "Do any of the 'Can Help' students think they represent better sources of help?"

   Note: As there may be more than one possible matchup, the "best" matches are listed on the next page for your convenience.

[1]The ideas and materials for this part of the lesson were taken from Consumer Education Learning Activities by Jerry Forkner and Gail Schatz (Social Science Education Consortium, Inc., Boulder, Colorado, 1980).

1. C	7. H	13. N
2. A	8. I	14. M
3. B	9. G	15. O
4. F	10. J	16. R
5. D	11. L	17. P
6. E	12. K	18. Q

After all pairs have read their statements, let students switch partners, until everyone is satisfied that the appropriate matches have been made.

Conclude this portion of the activity by pointing out that the federal government is just one source of assistance for consumers; state and local governments, as well as hundreds of private organizations, also provide many kinds of services.

7. From the two sub-activities of this lesson ask students to identify two important economic functions of government: (a) the purchase of goods collectively for the welfare of the people and (b) the redistribution of income to overcome poverty and/or suffering of some citizens.

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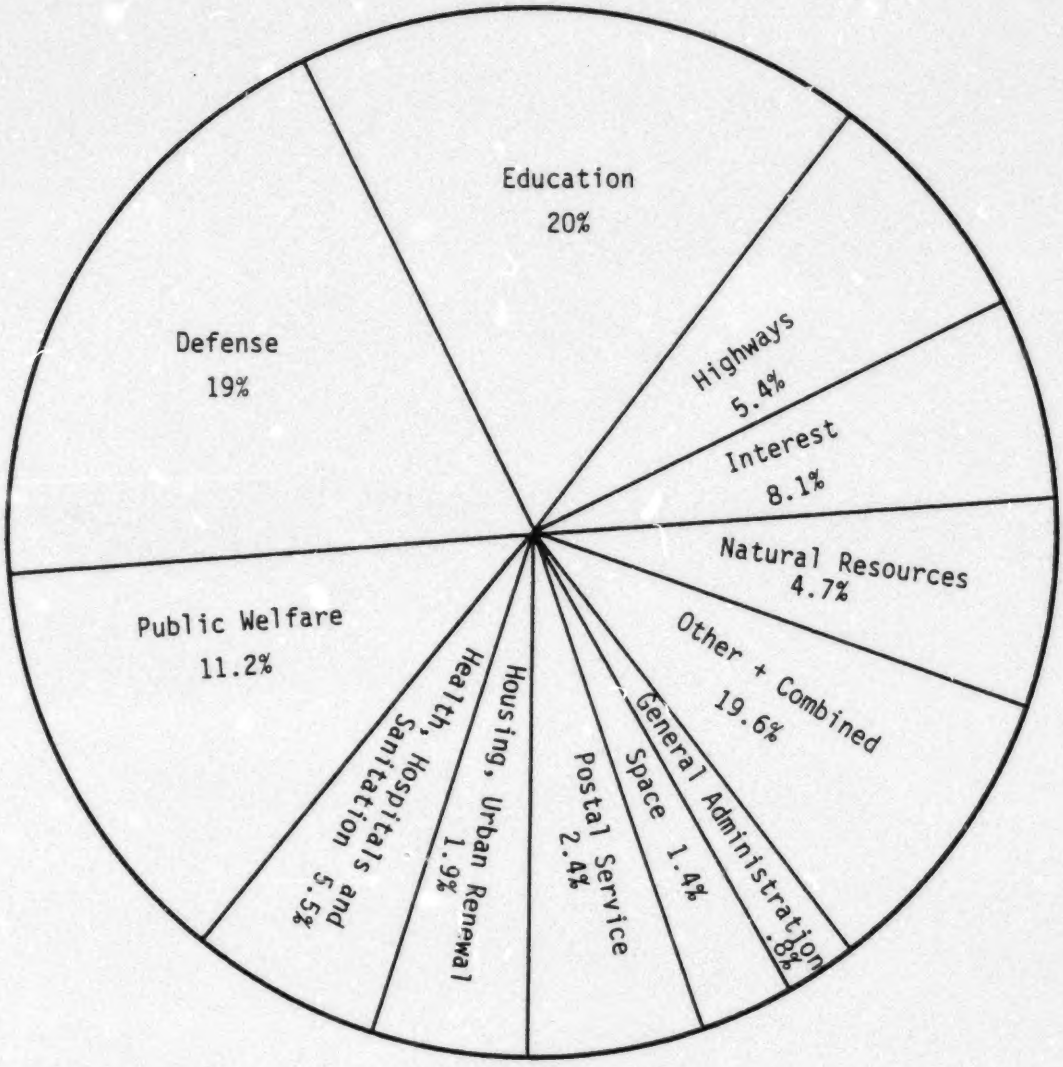
WHERE WOULD I SPEND THE MONEY?

Education	_____
Defense	_____
General Administration	_____
Health, Hospitals and Sanitation	_____
Highways	_____
Interest	_____
Miscellaneous (Other)	_____
Natural Resources	_____
Postal Service	_____
Public Welfare	_____
Housing, Urban Renewal	_____
Space	_____
TOTAL	100

GENERAL EXPENDITURES OF FEDERAL, STATE AND LOCAL GOVERNMENTS BY FUNCTIONS, 1975-1980



This chart is based on U.S. Bureau of the Census data.

HELPMATE STATEMENT CARDS

"Need Help" Statements	"Can Help" Statements
1. I am the widow of a Korean War veteran. I dropped out of college to get married 30 years ago. Now I would like to go back to school and get a teaching degree. If I enroll in school full time, I will need some financial help. Where can I go for help?	C. The Veterans Administration (VA), an independent federal agency, offers many benefits to U.S. veterans and their dependents. Widows and orphans of veterans may qualify to receive funds for educational assistance. The nearest local, state, or regional VA office can provide information about what services are available and who is eligible to receive them.
2. I am a 63-year-old single woman. I have been employed all my life. Recently I had to quit my job because my health has not been good. Although I have saved some money, I have only enough savings to live on for a few months. Where can I go for help?	A. The Social Security Administration of the U.S. Department of Health and Human Services provides monthly payments to eligible retired and disabled workers and to their dependents. The nearest Social Security office can help people determine whether they are eligible for these benefits.
3. I am a 34-year-old man with a wife and two children. For the past 15 years I have been employed as a maintenance worker by the local branch of a large national company. Although my wages are adequate, we have no savings. For the last few years my kidneys have not been functioning well, and my doctor says that in order to stay alive I will soon have to have dialysis treatments or a kidney transplant. Our medical insurance would cover very little of this huge expense. Where can I go for help?	B. Medicare, a national insurance program sponsored by the federal government, will provide funds for kidney transplants or dialysis to workers covered under the Social Security system.

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"Need Help" Statements	"Can Help" Statements
4. We live on a farm near a medium-size city. A stream flows through our property, and the farm animals sometimes drink from it. A few miles upstream is a factory that makes smoke-detection equipment. I've heard that smoke detectors contain radioactive materials, and I'm worried about whether the factory might be dumping radioactive waste water into the stream. The water looks all right, but I'd like to know for sure. Where can I go for help?	F. The Environmental Protection Agency (EPA), an independent federal agency, protects the nation's land, air, and water from hazardous and toxic substances. The nearest EPA regional office can provide information about how local factories are disposing of hazardous wastes.
5. I am the principal of a rural school built in 1923. I have heard that many older schools are dangerous to teachers and students because asbestos was used in their construction. I want to find out whether our school is contaminated by asbestos and, if so, what can be done to make the school safe. Where can I go for help?	D. The Environmental Protection Agency, an independent federal agency, can supply information about how to identify asbestos-contaminated school buildings and assist local communities in remedying the problem.
6. I am a house painter with seven children. Most of the year I get enough work so that we manage okay, but during the winter months we often don't have enough money to buy food. Where can I go for help?	E. The Food and Nutrition Service (FNS) of the U.S. Department of Agriculture administers the food stamp program, which provides coupons to low-income people which can be exchanged for groceries. FNS also sponsors programs that provide breakfasts and lunches to needy schoolchildren.
7. I am a man employed as a clerk-typist in a medium-sized office. Twice during the last five years the position of private secretary to the manager became vacant, and I applied for the job. Each time, though I got the highest score on the qualification test, a woman clerk-typist was promoted to that position. I think I am being discriminated against on the basis of my sex. Where can I go for help?	H. The Equal Employment Opportunity Commission (EEOC), an independent federal agency, investigates and attempts to settle complaints about discrimination in any aspect of employment on the basis of race, sex, religion, age, or national origin.

"Need Help" Statements	"Can Help" Statements
8. I am a loader in a warehouse. My job often calls for me to use a freight elevator to transport goods from one floor to another. The elevator door does not work right; it sometimes opens when the elevator is not at my floor. I have reported this dangerous condition to my supervisor many times, but nothing has been done about it. Where can I go for help?	I. The Occupational Safety and Health Administration (OSHA), a division of the U.S. Department of Labor, sets and enforces job safety and health standards and investigates reports of hazards.
9. I am a 35-year-old woman who dropped out of high school to get married and have children. Last year my husband and I were divorced. I need a job to support myself and my children, but I have no skills or work experience. Where can I go for help?	G. The Employment and Training Administration, a division of the U.S. Department of Labor, supports local programs which provide free employment training and placement services to eligible people who are unemployed or underemployed.
10. I just started a small business. I am confused about what government regulations apply to me and what I have to do in order to comply with them. Where can I go for help?	J. The Office of the Ombudsman of the U.S. Department of Commerce helps business people understand federal regulations that affect them and respond to questions and complaints about these regulations and their enforcement.
11. I am a teenager who ran away from home last year. Lately I've been thinking that I'd like my parents to know that I'm all right, but I don't want them to know where I am. Where can I go for help?	L. The National Runaway Hotline, supported by the U.S. Department of Health and Human Services, provides free confidential advisory services to runaways and their families 24 hours a day.
12. I am a young mother. My child is almost four, and I think she ought to be going to a preschool. But my husband is out of work and we can't afford a private nursery school. Where can I go for help?	K. Project Head Start, supported by the U.S. Department of Education, provides free education programs for preschool-age children of low-income families in many cities and towns in the United States.

"Need Help" Statements	"Can Help" Statements
13. I wrote a song, and I'm trying to get someone to record it. I think it's good enough to be a hit, but I'm afraid that some crooked musician and agent will steal it and cheat me out of the profits. Where can I go for help?	N. The Copyright Office of the Library of Congress protects authors' exclusive rights to control the reproduction, distribution and performance of their works. This office also provides information about copyright law and about procedures for obtaining a copyright.
14. I am a sales representative for a book publisher. Recently I was transferred to a different territory, and we had to move in a hurry. After buying a house in our new community, we discovered that it is in the flood plain of a river that has caused disastrous floods several times in the past. We can't find an insurance company that will sell us flood insurance at a price we can afford. Where can we go for help?	M. The Federal Emergency Management Agency (FEMA) administers the National Flood Insurance Program, which provides federally subsidized flood insurance to property owners in participating flood-prone communities.
15. We are a young couple who would like to be buying a home instead of pouring rent money down the drain. Although our combined incomes are sufficient to qualify us for a home loan, we don't have enough cash for a 10% or 20% down payment. We figure that it would take us five years to save as much as we would need, and by that time housing prices will have doubled. Neither of us is a veteran, so we aren't eligible for a VA loan. Where can we go for help?	O. The Federal Housing Administration (FHA), part of the U.S. Department of Housing and Urban Development (HUD), offers mortgage insurance to builders and developers of certain kinds of low- and middle-income housing. This insurance permits the builders to accept down payments of as low as 3% from qualified purchasers. The nearest regional HUD office can provide information about new housing projects that offer FHA loans.
16. We are a group of young mothers without much money. Many of us are receiving welfare aid and food stamps. We live in the inner city, where it is hard to find bargains on food purchases, and we have no transportation to suburban supermarkets. We are interested in setting up a co-op so that we can buy food and other staple products in bulk quantities from wholesalers. Where can we go for help?	R. The Community Services Administration, an independent federal agency that offers services and educational programs to low-income consumers, provides information (and, occasionally, funding help) to people who want to set up consumer self-help groups and co-op buying clubs.

"Need Help" Statements	"Can Help" Statements
17. I am an 18-year-old college student who has been saving up for two years to buy a good used car. I finally found a model I like that is in beautiful condition, and the price is right. But my brother thinks that particular model was recalled by the manufacturer a year or so ago because of a hazardous defect. Before I buy this car, I want to find out whether the model was recalled and, if so, whether the defect on this particular car has been fixed. Where can I go for help?	P. The National Highway Traffic Safety Administration (NHTSA), part of the U.S. Department of Transportation, maintains a toll-free hotline for people who need information about or assistance with recalls of motor vehicles. NHTSA can verify whether a particular model has been recalled; information about whether a specific car has been corrected can be obtained by sending a card to the manufacturer of the recalled model.
18. I am a farmer in the western Great Plains. Last summer, severe hailstorms wiped out most of the wheat crop in this area. Consequently, many farmers defaulted on their bank loans, and local banks are unable to lend me the money I need to build a new hay barn. Where can I go for help?	Q. The Farmers Home Administration (FmHA), part of the U.S. Department of Agriculture, operates a number of loan programs for people in rural areas who cannot get credit from other sources at reasonable rates and terms. Applications are processed through local FmHA offices, usually located in county seats.

PART B

"How Would You Spend the Money?"

PURPOSE: To illustrate how individual values relate to economic decision-making

To demonstrate that government(s), like individuals, must make economic choices about how to efficiently and effectively use scarce resources

MATERIALS: Handout, "What Should Our Economic System Achieve?"

Handout, "State Budget Exercise"

Nine sheets of construction paper, marked 1-9, and tape

Handout lesson, "Value Analysis of Energy Policies"

Handout, "The Economic Community"

PROCEDURES:

1. Distribute the handout, "What Should Our Economic System Achieve?" Using the descriptions given on the handout and pp. 25-27 of A Framework for Teaching Economics: Basic Concepts review the meaning of each of the six broad goals listed. Ask students to individually rank 1-6 the six listed goals; 1 representing the goal they feel to be most important, 6 representing the goal they feel to be least important. Explain that this does not mean that the goal ranked 6th is not important but, rather, that other goals were ranked as being somewhat more important.

2. Tell students that in the next activity they are to pretend that they are a state legislator. Distribute the handout, "State Budget Exercise," and explain the directions to the class. While students are completing the exercise, tape nine sheets of construction paper, marked 1-9, along a classroom wall, leaving at least two feet of space between each sheet.

3. Discuss the range of responses concerning programs given the highest priority (ranking) by individuals, encouraging students to give a rationale for their choices. Ask one student to state his/her first choice and ask what he/she gave up when that decision was made. The response should be that the chance to spend the money on the next highest priority (rank 2) was given up. If the student's response is that he/she gave up the opportunity to fund all the other programs, point out that each program would cost $20,000,000 and, hence, only one other program would be given up. Write the term, "opportunity cost," on the chalkboard and orally define opportunity cost as "the next best alternative given up when a choice is made." In other words, a decision to do one thing means giving up the alternative to do the next most desirable thing. Ask other students to identify the opportunity cost of their first choices.

   Explain that when a person or group chooses one thing instead of another, they are making a "trade-off." That is, they are "trading-off" less of one thing for more of something else. Write the term "trade-off" on the chalkboard.

4. Focus students' attention on the numbered sheets of construction paper taped on the wall. Tell students to think of the numbered sheets as the nine different programs for funding and direct students to stand in straight lines, outward from the wall, in front of the number of the program which was their highest priority (received their number one ranking). (NOTE: Before students leave their desks, tell them to take their worksheets with them. By doing this, students will not have to continually return to their desks to see how they ranked the different programs.) The wide range of responses will be visually apparent to the students. Ask, "Why did students give different programs their top ranking?" Have a few students explain their rationales and elicit the fact that people obviously value or place higher priority on different programs (and the goals they feel those programs will achieve). Repeat the procedure for the program given the lowest priority or ranking by individuals.

   Next, tell students to think of the numbered sheets on the wall as rankings and direct them to stand in front of the ranking they gave program number 3 (improved port facilities). Point out the diversity of students' rankings for that program and ask students standing at extremes of the continuum to explain their reasoning. Ask students why they gave the same program different rankings and point out the differing values expressed. Repeat the procedure for another specific program.

5. Ask students to <u>again</u> stand in front of the program number of his or her highest ranking. Have students take note of the size of the line in front of each program number. Write the number of people selecting each program directly on the numbered sheets. After students return to their desks, explain that many secondary students will have difficulty when asked to develop a graph or comprehend information presented in graphic form. The technique of developing a "human graph," as illustrated when people stood in front of the numbered sheets of construction paper, may be useful in helping high school students understand the graphing process.

   Direct students through the process of making a chalkboard graph of the data written on the numbered sheets.

6. Refocus student attention on the two handouts. One by one, discuss which broad goal(s) might be achieved by each of the nine possible state program alternatives. Then direct students to compare their rankings on the two handouts to determine if the state programs they ranked most highly would achieve the broad goals they ranked most highly. Explain that often people say they value certain things or ideals (goals) and then make decisions that are not consistent with those values. Ask, "Were your spending rankings generally consistent with the goals you ranked as being most important for our economic system to achieve?"

7. Explain that the above demonstration was an example of a values clarification lesson. Tell the class that there are other approaches for values education in the classroom and that the lesson plan you are going to distribute next is an example of a lesson using a value analysis approach. Distribute the lesson plan, "Value Analysis of Energy Policies," and direct students to read and study the lesson outside of class as preparation for an assignment for this instructional block.

8. Distribute the handout, "The Economic Community," and direct students to read this material in preparation for the next class lesson. (NOTE: The instructor may wish to introduce and define the term "advance organizer" at this time.)

WHAT SHOULD OUR ECONOMIC SYSTEM ACHIEVE?

☐	Economic growth	-	An increasingly higher standard of living
☐	Economic security	-	Protection from physical and economic hazards
☐	Economic freedom	-	The right of producers and consumers to make unconstrained decisions
☐	Economic efficiency	-	Getting the most out of available resources
☐	Economic equity and justice	-	Freedom from discrimination in economic activities
☐	Economic stability	-	Full employment without inflation

STATE BUDGET EXERCISE

You have been informed that the treasury of the state government will have an unexpected $20,000,000 ($20 million) surplus this fiscal year. Rather than spread the surplus monies over many existing state-programs, there is considerable support in the legislature for using the entire surplus for one program. The following nine programs have been suggested, with each program costing approximately $20,000,000. How would you recommend that the money be spent?

1. Complete computerization of many functions of state government offices and agencies
2. Increased salaries for public school teachers and college professors
3. Improvement in port facilities for loading and unloading ships
4. Training program for minority youth in major urban centers
5. New program to attract new industries, tourists and large convention groups to the state
6. Larger monthly payments to citizens drawing unemployment compensation and aid to dependent families
7. Program to begin eradication of insects and crop diseases harmful to the state's agricultural products
8. Revision of state income tax rates to lower state taxes of the elderly and poor
9. Improvements in the highway system of the state

Rank the above-mentioned nine programs in order of your priorities; that is, indicate which program you would give highest priority, which the second highest priority, etc.

Program Number	Rank
1	____
2	____
3	____
4	____
5	____
6	____
7	____
8	____
9	____

VALUE ANALYSIS OF ENERGY POLICIES

Procedure: Group Decision-Making

Concepts:

- Opportunity Cost
- Price
- Social Cost
- Social Benefit

Goals:

The student:

1. Knows how to use a value analysis scale.
2. Identifies the cost/benefit trade-offs.
3. Rates the four energy policies on their ability to meet social and economic goals of the student.

Materials:

1. Value Analysis Scale
2. Description of four alternative energy policies
3. Energy survey

Economics in this Lesson:

> Economic analysis can help individuals and groups make decisions which reflect their values. It allows people to weigh the respective costs and benefits of any decision. People can see that any single decision is not all good or all bad. Every decision carries with it an opportunity cost.
>
> The concepts of social cost and social benefit are included in this analysis, and help decision makers to look beyond their own situation. The concept of social benefit means that the actions of a few have given numerous participants in the economy enjoyable things (i.e. more leisure time, reduction in physical toil, etc.). Social cost means the actions of a few impose negative side effects on uninvolved third parties (i.e. pollution, disruption of natural beauty, etc.).

This lesson is taken from Energy Trade-offs in the Marketplace (Washington State Department of Education, Olympia, Washington, 1980).

Directions:

READ TO STUDENTS

THIS LESSON USES A VALUE ANALYSIS SCALE TO MEASURE THE COSTS AND BENEFITS OF ENERGY POLICIES. A SURVEY IS ALSO INCLUDED AS A HOMEWORK ASSIGNMENT.

1. Hand out materials to students.
2. Explain the value analysis scale by using the two examples provided.
3. Have students work together in groups of three.
4. Have groups fill out worksheet for each alternative energy policy.
5. Tabulate group totals on the chalkboard and have students compare their ratings with the overall class rating.
6. Distribute energy survey. The students should take the survey and give it to two adults as well. Only one adult can be a parent. This is due tomorrow. A discussion will follow.

Debriefing Questions:

1. Were there differences of opinion in your group about the analysis? How did you resolve them?
2. Did your group differ from the rest of the class in the rankings?
3. Give examples of negative and positive effects that you gave a high number value. Why were these most important to you? Would these be of the same importance to society as a whole?
4. What information from the unit helped you make your decision?
5. Would the importance of energy increase or decrease as a result of your decision?
6. What are the implications on the economy as a result of your decisions?
7. What would be the social costs or benefits from your decisions?

TRANSPARENCY

SH 103

EXAMPLE 1 - Sample

Value Analysis Scale

Energy-Related Decision

Should a law be passed prohibiting people from driving cars that are not tuned up (do not burn gas efficiently)?

-10 -9 -8 -7 -6 -5 -4 -3 -2 -1 -0 +1 -2 -3 -4 -5 -6 -7 -8 -9 10

List and assign negative effect values		List and assign positive effect values	
1. Impossible to enforce.	-10	1. Saves Gasoline.	+2
2. Most people won't do it.	- 8	2. Less air pollution	+6
3. Police would spend too much time trying to enforce	-10	3. Increase work for service stations.	+3
4. Would hurt low income people	- 3		
5. Would not save much gasoline	- 2		
Total	-33	Total	+11

EXAMPLE 2 - Sample

Value Analysis Scale

Energy-Related Decision

Should people who get regular tune-ups for their cars be given a tax deduction for their expense?

-10 -9 -8 -7 -6 -5 -4 -3 -2 -1 -0 +1 -2 -3 -4 -5 -6 -7 -8 -9 10

List and assign negative effect values		List and assign positive effect values	
1. It would be hard to prove the tune-ups really were done.	- 8	1. It would save gas.	+10
2. It encourages people to be dependent upon cars.	- 2	2. It would save personal taxes.	+ 8
3. It reduces government revenues and adds to its debt.	- 2	3. Less air pollution.	+ 8
4. Regular tune-ups are not an important way to deal with energy conservation.	- 8	4. It would encourage car repair sales and jobs.	+ 5
Total	-20	Total	+31

STUDENT MATERIALS

Four Energy Policies

- The United States should have no restriction on the use of imported oil.
- Energy prices should be allowed to rise to a point where the amount of energy being demanded would equal the amount of energy being supplied.
- All energy should be rationed by the Federal Government and current prices be maintained.
- The Federal Government should levy taxes to subsidize development and use of an alternative, renewable energy source (hydrogen or solar power).

Value Analysis Scale

Energy-Related Decision _____

_____

_____

_____

-10 -9 -8 -7 -6 -5 -4 -3 -2 -1 -0 +1 -2 -3 -4 -5 -6 -7 -8 -9 10

Total ___ Total ___

ADULT-STUDENT SURVEY

Energy Survey

This survey is a part of an economics of energy program at school. We hope you will agree to help. All of your answers will be kept completely anonymous.

	Yes	No	Undecided
1. The U. S. faces a serious petroleum shortage in the next ten years.			
2. The Federal Government should ration gasoline.			
3. The Federal Government should increase research funds to provide energy alternatives.			
4. Increase the driver's license age to 18.			
5. Require all new cars to meet a 25 miles per gallon standard.			
6. Lower pollution standards on new cars to improve mileage.			
7. Ban students from driving to school if bus transportation is available.			
8. Remove price controls from natural gas and petroleum.			
9. Require all homes to be insulated.			
10. Give tax credits to businesses that invest in developing new energy sources.			
11. Increase the price of gasoline by 50¢ a gallon.			

The Economic Community

Activities for Grades Eleven and Twelve

Mrs. Shirleen S. Sisney

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Introduction

In our complex, industrial society there is a strong, ever-growing need for economic understanding. Effective teaching of economic principles and concepts must be refined to meet this need, yet educators at all levels find it difficult to interest students in anything other than consumer economics, at most. Although economic news dominates the media and students can feel the direct effects of current economic situations, the study of economics remains an area that many students misunderstand.

This course was designed to organize and implement activities that stimulate interest in the study of economics and, at the same time, develop a theoretical and conceptual frame of reference necessary for objective and rational analysis of current economic problems. The activities that were developed attempted to relate what the student knows and understands to economic theory in such a way that the student is oriented and motivated to study economics beyond the realm of this course. Experience gained from the teaching of economics from a student-involved perspective revealed that the students were highly interested in such an approach and, as a result, seemed better to understand and appreciate economics.

The project was divided into four major activities: the Inflation Seminar, the Economic Community, Group Studies of Economic Problems, and the International Trade Simulation Game. Although all four activities were integrated into the course, each activity could stand alone and be adopted in other teaching situations. Although each activity could be a project itself, all activities were designed to attain the overall goals of the teaching unit.

The four major activities utilized in this course were designed to improve economic problem-solving skills and rational, objective thinking skills of the students on an individual as well as on a group basis. These methods were not intended to replace a textbook study of economics, but rather to supplement and enrich it. In all four activities, textbook readings and related assignments were used to introduce and support the activities. These developmental activities gave students the opportunity to apply what they had learned from textbook readings and class discussions to realistic situations included in the course activities. Through this technique, students not only learned to apply what they knew but were able to see for themselves what they had failed to understand and, therefore, saw the need for further instruction and study in those particular areas of economics. Any of the four activities can add an extra dimension of student involvement and, accordingly, increase student interest in economics.

All four activities were completed over a 12-week period but, depending upon the desires of students and teachers, could be varied both in the selection of activities and length of time allocated. The 12-week schedule allowed one week for the introduction to economics, discussion of the problem of inflation, and the selection of seminar speakers. Assignments of students to groups studying particular economic problems were made at this time.

The Inflation Seminar was conducted during weeks 2 and 3. During the fourth week, the regular pattern of textbook study and related assignments was resumed; papers on the Inflation Seminar were completed, graded and returned; and the groundwork for the second major activity, Economic Community, was laid. The next six weeks were planned to provide 45 minutes of regular classroom work and 15 minutes of Economic Community on Monday through Thursday. On Friday, the entire period was allocated to the Economic Community Simulation. The International Trade Simulation was carried on during week 11, and the final week was scheduled for the Evaluation Boards of Group Studies Project.

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This portion of the abstract briefly describes and develops the total project. The reader is advised to view a videotape which was produced on the program. The available tape best communicates and illustrates the developmental and motivational aspects of the four course activities, as well as serving as a summary of the total program.

For the purposes of this publication, relatively brief descriptions are provided for three of the four major activities. The Economic Community activity will be more completely described.

The first activity, Inflation Seminar, included several initiatory techniques designed to arouse student interest. Theories of some of the "Doom Economists" were presented and discussed. Students selected resource persons to serve as speakers during the program. Blue chips were introduced as the basic currency to be used in the next activity, Economic Community, and were awarded to students for their participation in class activities, including asking good questions of the speakers. During the culminating state of the activity, students were awarded chips by the teacher as determined by her evaluation of student papers. Following the participation of prominent community leaders who addressed the two economics classes, students were able to combine the practicalities of the inflation problem with the analysis and application of economic theory.

In an effort to get the students to integrate practical economics with theory, the Economic Community, a simulated economy, was developed. The objective of the activity was to get students to transverse the path from the concrete, simulated economy to the application of abstract concepts of economic theory. An important and natural by-product of Economic Community was an enjoyable, constructive introduction to the real world of economics.

On the first day of Economic Community, blue chips representing money earned by students through their inflation papers were distributed. In addition to the range of 8 to 20 chips distributed to each student, chips were distributed to students for having asked particularly analytical questions of speakers who had addressed the classes. Records were kept by the teacher of all chips which had been distributed.

Following the distribution of chips, a detailed explanation was given as to how the chips would form the basis for developing an economic community within the classroom. Items in the room were used to represent aspects of the real economy, such as chairs, representing homes; bulletin boards (the media and advertising); doorway (transportation); heat and light (utilities); a group of five chairs (residential real estate); and 4 x 4" squares (commercial real estate). Each of the classroom items was auctioned, the high bidders gaining ownership. The revenue for the auction (blue chips) was deposited in the government treasury.

Rules and regulations were distributed to all students advising them of in-class economic community details. Applications were submitted and interviews completed to fill the positions of treasurer and accountant. Accordingly, salaries in blue chips were paid. As students established businesses and sold their respective goods and services, the community developed and economic growth increased. As students made business deals, bought and sold goods and services, paid taxes, and made policy decisions, the economic health of their individual enterprises and of the economic community in general was affected. The reader is advised to view the videotape which elaborates on the Economic Community Simulation.*

Initiatory, developmental and culminating activities were developed for the International Trade Simulation activity which followed Economic Community. Each student was assigned randomly to one of five countries which made up the game. Students studied the data of their respective countries and established policies determining foreign exchange. Through negotiation and recording inter-country trading agreements, students could improve the economic situation of their particular country. As a result of this activity, students developed a clearer understanding of the dynamics of a worldwide economy and the problem of allocating the world's resources.

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*The tape and the original report are deposited in the Vernon R. Alden Library, Ohio University, Athens, Ohio

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The final activity, Group Studies of Economic Problems and Evaluation Boards, offered the students the opportunity to explore areas of particular student interest in independent study. Three to five community leaders and/or businessmen with expertise in a particular problem area were used as an evaluation board. This technique allowed students to meet directly with out-of-school resource people to discuss significant problems of the U.S. economy. The quality of student presentation before the evaluation boards demonstrated a developing ability for objective thought in dealing with economic problems. The requirement of verbalizing an understanding of a plausible solution to an economic problem and responding to related questions from an outside authority added another dimension to applying a knowledge of economics. Further information on the group studies activities can be found in the videotape, as well as the student materials.

Evaluation

Form A of the Test for Economic Understanding was administered as a pretest for the 40 students who participated in Economic Community. At the conclusion of the four activities, which had a duration of 12 weeks, Form B was used as a posttest for the same 40 students. In an attempt to avoid teacher bias, the teacher did not examine the questions in Forms A or B until after the posttest was administered. Students scored a mean of 68.6 on the pretest and a mean of 75.9 on Form B. Twelve of the 40 students scored lower on the posttest than on the pretest. But of the 12 who had lower percentile scores, six had percentile scores of 94 or higher on the pretest, leaving a small amount of room for improvement. While the six students had higher raw scores on Form B, their percentile scores were lower. Students who improved the most were those who had been average or below-average students.

In order to gain the greatest benefit from the data compiled through the administration of the pre- and posttests, the teacher broke down the results into categories of questions provided in the *Interpretive Manual and Discussion Guide: Test of Economic Understanding*. Questions on Forms A and B that appeared to measure the same content material were compared by determining the percentage of misses on each form. Comparisons indicated large student gains on questions in the following categories: problems of economic growth and security; changes in aggregate spending; the rate of economic growth, and the framework of the market system. Improvement in comparative test scores in the pre- and posttests was revealed in question clusters which dealt with foreign trade, role of government in economic growth and stability, government control in the use of productive resources, and distribution of goods and services produced in the economy. Data supporting these findings are found in the teacher's report.

A final examination, consisting of questions from the social studies departmental economics test, was administered to all students. The 40 students achieved a mean of 42.6 out of a possible score of 50. Because the test was geared to a thorough testing of economic content material covered in the course, student performance indicated a strong background in economic theory and concepts.

Student evaluations demonstrated increased understanding and confidence by indications of an increased ability to relate economic theory to practicality and practicality to economic theory. The fact that several students expressed a desire to major in economics and the fact that several students undertook individual study projects after the course had been completed, indicate that rational, objective thinking can be developed around a course which emphasizes the problem-solving approach. All apprehension over the study of economics seemed to disappear as students eagerly established and accomplished challenging individual academic goals during the course. I feel confident that the students left the course not only with a solid background in economic theory, concepts, and understandings, but also with the ability to apply these tools to analyzing economic problems and reaching sound conclusions.

*This teaching report was taken from Economic Education Experience of Enterprising Teachers, Volume 13, Joint Council on Economic Education, New York, New York, 1976, pp. 77-81.

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ASSIGNMENTS FOR INSTRUCTIONAL MODULE 5

1. Read pages 44-51 of Introducing Economics. Encourage students to think of other examples of each of the ten given understandings.

2. Assign for student reading those sections of the social studies methods text dealing with values and the valuing process.

3. Read pages 46-52 of A Framework for Teaching Economics: Basic Concepts.

4. Develop a values lesson for either of the following: (a) values clarification using a choice-making or ranking exercise (b) a values analysis lesson utilizing a values analysis scale.

INSTRUCTIONAL BLOCK 6

"Classroom Economics Instruction - Sources of Assistance"

In this segment of instruction, students will:

1. identify sources of human and material assistance for classroom teachers interested in including economic education in the school curricula.
2. describe the services provided to classroom teachers by their state's Council on Economic Education and/or Centers for Economic Education affiliated with their state council.
3. evaluate the module of instruction in economic education they have experienced during the last twelve hours of methods class instruction.

PART A

"Councils and Centers for Economic Education -
A Source of Assistance for the Classroom Teacher"

PURPOSE: To acquaint students with the services and materials which are provided to classroom teachers by their state's Council on Economic Education and/or their local Center for Economic Education

MATERIALS: Resource person from your state's Council on Economic Education or the Center for Economic Education on or nearest your college/university campus

PROCEDURES:

1. In advance of this lesson make arrangements for the required resource person. If you need assistance in identifying an appropriate person for your state or local area, contact:

   Mr. Tony Suglia, Director
   Affiliated Councils and Centers Division
   Joint Council on Economic Education
   2 Park Avenue
   New York, New York 10016
   (212) 582-5150

   When making arrangements for the classroom visitation, describe what you have been undertaking with your methods class and explain that all too often undergraduate teacher education majors leave the campus unaware of the many potential sources of instructional assistance available to teachers once they have graduated and are "out on their own."

   Tell the resource person that you would like him/her to:

   a. describe the organization and functions of the Joint Council on Economic Education and his/her state and/or local operation.
   b. explain the human services and educational programs provided to the classroom teacher by the state council and local economic education centers.
   c. describe the array of classroom instructional materials available for classroom use at the state council and local center(s).
   d. explain the procedures for using services and materials of the organization.
   e. demonstrate any special materials appropriate for the secondary school which you have not presented through this module. (This can be determined when you make arrangements for the visitation.
   f. identify other organizations in the state and local area which can provide services to classroom teachers interested in including economic education in their curricula.
   g. provide a handout which includes the addresses, telephone number and directors' names for the state council and its affiliated centers.

2. Following a presentation of approximately 25-30 minutes duration, allow for a general question-answer period during which the resource person and the students can interact and clarify any individual questions and/or comments.

3. Be sure that students have the addresses and telephone numbers for the state council and its affiliated Centers for Economic Education. (If so instructed, the resource person will provide this information in handout form).

4. Explain that this lesson concludes the module of instruction in economic education. Distribute the final evaluation form, "Evaluation of Economic Education Module of Instruction," and ask students to anonymously complete the form before leaving class. Explain that data derived from the evaluation form will be used only in the revision and improvement of your instruction.

EVALUATION OF ECONOMIC EDUCATION MODULE OF INSTRUCTION

Directions: In rating the following items, use the following scale:

5 = outstanding
4 = good
3 = acceptable
2 = poor
1 = very poor

1.	Books provided	5	4	3	2	1
2.	Classroom handouts	5	4	3	2	1
3.	Morale and involvement of class members	5	4	3	2	1
4.	Economic content learned through the module	5	4	3	2	1
5.	Extent to which instruction and materials can be used in your own classroom teaching	5	4	3	2	1
6.	Degree of interest you now have in including economics instruction in your classroom teaching	5	4	3	2	1
7.	Degree to which module instruction made you aware of new teaching strategies and techniques	5	4	3	2	1
8.	Appropriateness of module instruction to what you think you would be able to do in the actual classroom	5	4	3	2	1
9.	Responsiveness of instructor to views and opinions of class members	5	4	3	2	1
10.	Overall rating of the module of instruction in economic education	5	4	3	2	1

Directions: Write short responses to the following three questions.

1. What were the best features of this module of instruction?

2. What were the weakest features of this module of instruction?

3. What changes would you recommend for the improvement of this module of instruction?

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